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Board Secretary
Ontario Energy Board
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December 17, 2018

RE: Review of Miscellaneous Rates and Charges (EB-2015-0304)
Report of the Ontario Energy Board: Energy Retailer Service Charges dated November 29, 2018

Ag Energy Co-operative Ltd. is writing to the Ontario Energy Board ("OEB") in response to the Board's invitation to comment on its Report of the Ontario Energy Board: Energy Retailer Service Charges, issued November 29, 2018.

In August, Ag Energy had written a response to the board proposing several changes that would not only be beneficial to retailers but would also be a fair solution for distributors as well. We had proposed that Retailers only pay a month fee to the electricity distributors who are actively providing a service within their distribution area. The one-time \$100 charge paid by retailers to initiate distributor transactions should more than compensate the administrative costs of Retailer account set up, and idle maintenance until consumers are activated under that Retailer.

Ag Energy would like to reiterate the issue that increasing the Monthly Fixed Charge for example, exceeds an increase due to inflation. We acknowledge that there has not been a change to retailer service charges since their inception in 2002, however the proposed decisions to double the current charges goes beyond the Working Groups suggestion of an adjustment based on the inflation rate.

In December 2014, Hydro Ottawa wrote to the Ontario Energy Board advising they would be filing a Customer Incentive Rate application for the period January 1, 2016 through December 31, 2020 (EB-2015-0004). Included in this application and approved by the OEB, was an increase in Retailer Service Charges. While we understand each distributor applies annually to the OEB for approval to increase their distribution rates, an increase in Retailer Service Charges should not be applicable. This gives the precedent that an increase can occur during a rebasing period for any distributor, in addition to the annual inflation changes set to occur in 2019. We request clarification that individual retailers will still have the ability to request an increase to the Retailer Service Charges if the new rates are approved by the OEB. If so, we suggest this could be the more appropriate method for each LDC to recover their costs of administrative efforts surrounding the retailer market.

Ag Energy Cooperative Ltd. requests to be reviewed on an individual basis as we are different from the other retailers in the market. We are a co-operative, and our primary purpose is to service the needs of our membership. Our members are owners of the co-operative, and as such, the consumers and the retailer are one in the same. Prior to Ag Energy Co-operative Ltd exemption from the Energy Consumer Protection Act (ECPA) in 2017, we felt it was necessary to release low volume consumers in the

agriculture and agri-processing sector due to the high costs of administrative complexities and regulatory requirements. Without this exemption, Ag Energy would have reduced our services to low volume consumers, even though it is low volume consumers that benefit the most from our services.

In January 2017, Ag Energy Cooperative Ltd. received this exemption and is named in the Ontario Regulation 380/10, item 27. The ECPA exemption, which allows low volume consumers to benefit from the range of services we offer, provides relief of the additional administrative cost's Ag Energy would otherwise be impacted by. The exemption is restricted to members of the cooperative and limits our exemption to member business only. Any business we conduct with non-members is subject to ECPA regulations and requirements. We request the same treatment with respect to Retailer Service Charges.

On behalf of Ag Energy Co-operative Ltd. and it's 360+ agricultural, agri-business and rural members, we would like to request an exemption from the increase in retailer service charges. The consumers that required our services, are the consumers impacted by these drastic increases. Ag Energy co-operative Ltd is different from other retailers as we are governed by our members consumers— owned by the consumers who it utilizes the services. Members benefit with competitive energy solution, trusted advice and distribution of profits. Since 2004, Ag Energy Cooperative Ltd. has returned to members via cash and share value over \$10,000,000.00 providing much needed support and benefit to our members, the agri-food and agri-tech sectors. This is an average of over \$650,000.00 per annum. The proposed increase to the Energy Retailer Service Charges will significantly increase our administrative fees ultimately, they will double thereby directly reducing the value we provide back to members. Our costs are their burden.

In conclusion, the exemption we request is to allow a member owned energy company the opportunity to compete and exist in the energy sector.

Sincerely,



Rose Marie Gage
Chief Executive Officer



Michelle Vieira
Director of Sales and Member Relations



Katie Morrow
Operations Team Lead

Ag Energy Co-operative Ltd.