

**Attachment E**

**to**

**Notice of Amendments to Codes and a Rule**

**March 14, 2019**

**EB-2017-0183**

**Rate Order**

**Non-Payment of Account Service Charges for Electricity and  
Natural Gas Distributors, Effective July 1, 2019**

# **RATE ORDER**

**EB-2017-0183**

**Non-Payment of Account Service Charges for Electricity and Natural  
Gas Distributors, Effective July 1, 2019**

**BEFORE: Lynne Anderson**  
Presiding Member

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**March 14, 2019**

## BACKGROUND

On December 18, 2018, the Ontario Energy Board (OEB) issued a Notice of Proposal to Amend Codes and a Rule and a Notice of Hearing.<sup>1</sup> The OEB proposed a number of amendments to the Distribution System Code (DSC), Standard Supply Service Code (SSSC), Unit Sub-Metering Code (USMC) and Gas Distribution Access Rule (GDAR) related to customer service. The OEB also proposed changes to service charges related to non-payment of accounts, and released a draft rate order for comment.<sup>2</sup> The proposed revisions to the customer service rules and the service charges followed the release of the *Report of the Ontario Energy Board: Review of Customer Service Rules for Utilities – Phase One*.<sup>3</sup>

After considering stakeholder comments on the December 18, 2018 Notice, the OEB approved final amendments to the DSC, SSSC, USMC and GDAR on March 14, 2019.

The March 14, 2019 Notice of Amendment<sup>4</sup> explains the OEB's rationale for revising the non-payment of account charges. These revisions are as follows:

- Clarifying the quantum of the OEB-approved late payment charge: *1.5% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)*.
- Eliminating the Collection of Account Charge that is currently applied by most electricity distributors.
- Eliminating the charge for installing or removing a load control device that is currently applied by electricity distributors that use such devices as an alternative to disconnection.
- Prohibiting electricity and gas distributors from applying a charge to disconnect a customer for non-payment, and clarifying that any previously approved "Disconnect/Reconnect" charge only applies to reconnection.

Changes to both the customer service rules (as set out in the DSC for electricity distributors and GDAR for gas distributors) and the approved rates for electricity and gas distributors are required to implement these revised service charges.

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<sup>1</sup> EB-2017-0183, December 18, 2018.

<sup>2</sup> The Notice explained, "Because the proposed changes to service charges are closely connected to the proposed Code and Rule amendments, and both arise from the OEB's recent review, the OEB is combining both into one process."

<sup>3</sup> EB-2017-0183, September 6, 2018.

<sup>4</sup> EB-2017-0183, March 14, 2019.

The OEB is satisfied that the December 18, 2018 draft rate order is consistent with the final customer service rule amendments approved by the OEB on March 14, 2019. No substantive changes to the draft rate order are required. However, in response to the request from some distributors for more time to implement the changes to the non-payment of account charges, the OEB has extended the effective date from May 1, 2019, as originally proposed, to July 1, 2019.

## THE ONTARIO ENERGY BOARD THEREFORE ORDERS THAT:

### PART A: ELECTRICITY DISTRIBUTOR NON-PAYMENT OF ACCOUNT CHARGES

1. Effective **July 1, 2019**, despite any previous rate order, no electricity distributor shall apply any charge identified as a “Collection of Account” charge in the distributor’s tariff of rates and charges.
2. Effective **July 1, 2019**, no electricity distributor shall apply any charge identified as an “Install/Remove Load Control Device” charge in the distributor’s tariff of rates and charges.
3. Effective **July 1, 2019**, any reference to “Disconnect/Reconnect” in an electricity distributor’s tariff of rates and charges shall be read as “Reconnection”.
4. Effective **July 1, 2019**, the charge identified in an electricity distributor’s tariff of rates and charges as “Late Payment – per month” is updated as follows:

Late Payment – per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
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5. Effective **July 1, 2019**, the charge identified in an electricity distributor’s tariff of rates and charges as “Late Payment – per annum” is discontinued.

### PART B: GAS DISTRIBUTOR NON-PAYMENT OF ACCOUNT CHARGES

1. Effective **July 1, 2019**, despite any previous rate order, no gas distributor shall apply charges for disconnecting a customer’s service for reasons of non-payment and any such previously OEB-approved charge is discontinued.

2. Effective **July 1, 2019**, despite any previous rate order, any previously OEB-approved charges associated with reconnection of a customer who had previously been disconnected for non-payment reasons shall be read as "Reconnection".
3. Effective **July 1, 2019**, the OEB-approved late payment charge shall be read as 1.50% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate).

**DATED** at Toronto March 14, 2019

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary