

# *Aiken & Associates*

578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: [randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

July 29, 2020

Christine E. Long  
Registrar and Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Long,

**RE: EB-2020-0152 - Consultation on Implementing the Process for Enabling Customers to Opt Out of Time-of-Use Pricing – Comments of London Property Management Association**

On July 15, 2020, the Ontario Energy Board (“Board”) released its Notice of Proposal to Amend the Standard Supply Service Code (“SSSC”). The Board invited interested parties to file written comments by July 29, 2020 to accommodate the finalization of the proposed amendments to the SSSC on a timely basis so that distributors would have adequate time to make the necessary system and other changes required.

These are the comments of the London Property Management Association (“LPMA”) on the proposed amendments to the SSSC related to the process of enabling customers to opt out of time-of-use (“TOU”) pricing and go to tiered pricing.

LPMA has arranged its comments based on the headings in the Board’s letter. In addition, LPMA has a few comments on the proposed wording of the changes shown in the appendix to the Board letter.

**B. Purpose of Proposed Amendments**

The following paragraph is included under this heading:

“Inherent in the Government’s proposed regulatory amendments is the element of customer choice: the TOU price structure remains the default, and it will fall in all cases to the consumer to take action to elect into the tiered price structure.”

LPMA agrees with this statement, as far as it goes. While the Government’s proposed amendments to O. Reg. 95/05 requires distributors to allow RPP customers to opt out of

TOU prices and elect to be charged tiered prices, there is no mention of requiring distributors to provide customers with sufficient information for them to determine if they should take action to elect into the tiered price structure or to remain, or return to TOU pricing.

LPMA believes that “customer choice” as noted above and elsewhere in the Board’s letter should be understood to mean “informed customer choice”.

#### D. Summary of Proposed Amendments

i) Similar to the comments above, LPMA notes that the graphic shown under “The Election Process” that shows the four steps starts with the consumer making an election. For an organization like the Board to stress Customer Focus to the distributors, LPMA cannot help but notice the glaring omission in this election process.

In particular, LPMA suggests there should be a five-step process in place of the four-step process provided in the letter. The five steps would be the same as the four shown, with the exception of the very first step which would be ‘Consumer Makes Informed Decision’. This box would show and require information on TOU consumption specific to the consumer, along with all of the TOU and tier prices and structures required for the consumer to make an informed decision on the potential costs of remaining (or returning to) TOU pricing and the potential costs of moving to tiered pricing. This first step should include arrows showing the provision of this required information from distributors, the Smart Metering Entity, the Independent Electricity System Operator and the Board or any other source as applicable to consumers in order for them to make an informed decision and whether or not to trigger the remaining steps shown.

ii) LPMA agrees with the proposed amendments that make it clear that an RPP customer can choose tiered pricing when opening a new account, moving from a contract with an electricity retailer to standard supply service or returning to the RPP from market-based pricing and that the distributor are responsible for advising such customers of this option and implementing the election, if taken, effective with the customer’s first billing period.

LPMA does not see any reason why a customer in any of the above noted circumstances should not have the option available to elect tiered pricing effective for their first billing period. In fact, it would add extra work for the distributors if this was not the case. Imagine setting up a new account with the default TOU pricing and then changing that to tiered pricing for the second billing cycle. Undoubtedly, many such customers would be confused and would likely call the distributor call centre asking for an explanation. Similarly, customers returning to system supply or returning to the RPP should be able to seamlessly transition to tiered pricing if that is their choice, right away and not have to wait to have their choice reflected. Again, a delay in switching the customer would likely lead to increased customer calls.

iii) LPMA agrees that it is important for customers to be notified of when the switch in the pricing structures will become effective. This is especially important given the long timeframe between a billing period and when the customer actually receives a bill for that billing period. The billing date is often 3 weeks following the meter read, which, in turn in a month from the start of the billing period. Bills are often received a week, or more after the billing date. This means that a bill is received two months after the start of a billing period and one month after the end of a billing period. This long delay would only confuse customers if they elected to move to tiered pricing but were too late for the first billing cycle following their election. More than two months later they would get a bill and still be on TOU pricing. It will be critical, in the view of LPMA, for customers to not only know when their switch in the pricing structure becomes effective, but also when they will see their first bill under the new pricing structure.

Rather than a generic message that refers to the change in pricing structure taking effect at the start of the consumer's next billing period, the generic message should also include when the customer will see the change in the price structure reflected on their bill. Something along the lines of "You have elected to change your pricing structure. This will be reflected at the start of your next billing period, and will be reflected in your invoice approximately two months from the beginning of your next billing period."

The following example shows the potential for customer confusion without clear communication to them of not only when will their election take effect but when they will see the election on their bill. For the example that follows, the following dates have been used:

Billing Cycle 1: March 22 to April 22	Billing Date: May 11
Billing Cycle 2: April 22 to May 22	Billing Date: June 8
Billing Cycle 3: May 22 to June 22	Billing Date: July 13

Now consider a customer that elects to switch pricing structures with complete documents provided to the distributor on April 7 (i.e. more than 10 business days to the next billing cycle). That customer would start on the new pricing structure on April 22, and that would be reflected in the June 8<sup>th</sup> bill. However, they would still receive a bill on May 11 (one month after their election) based on the previous pricing structure. Without being told that their new pricing structure would be reflected on the June bill, the customer will likely wonder why it is not reflected on their May bill.

Now consider a customer that elects to switch pricing structures with complete documents provided to the distributor on April 9 (i.e. less than 10 business days to the next billing cycle). That customer would start on the new pricing structure on May 22, and that would be reflected in the July 13<sup>th</sup> bill. However, they would still receive a bill on May 11 and another one on June 8 based on the previous pricing structure. Again, without being told that their new pricing structure would be reflected on the July bill, the

customer will likely wonder why it is not reflected on their May bill and most likely wonder why it is not reflected on their June bill, nearly two months after their election.

LPMA supports the requirement to provide a confirmation to the customer that the change has taken place as a one-time message on the first bill issued to the customer that reflects the switch in the pricing structure. LPMA also supports the use of the second bill if the first bill cannot be used for the reasons given by the Board. However, neither of these scenarios address the issue noted above and illustrated in the example. LPMA believes that there should be communication with the customer as soon as their pricing change election is implemented telling the customer that the change has been made and will be reflected in the proper invoice and indicating that their next invoice (or next two invoices) will not yet reflect this change.

This communication could be done by e-mail or mail, depending on how the customer initiated their election.

iv) Under the Information for Consumers heading, the Board states that it is essential for consumers to have access to information to assist them in understanding and assessing their pricing options. While the Board states that they expect distributors to provide the materials to support decision making by their customers, LPMA believes that this extends to things beyond materials and beyond distributors. For example, distributors should have a simple model on their websites where customers can log in and select an option that provides their electricity cost under both the TOU and tiering pricing structures using historical TOU monthly volumes from the Smart Metering Entity and the current or new prices that are released by the Board twice a year. The earlier the Board can publish the new rates that will be effective November 1 and May 1 of each year, the more time customers will have to make an informed decision about which price structure is best for them.

The customer should be able to press an option and have all the relevant information loaded automatically into the model that includes the proper structures and prices for the TOU rates and the tiering price structures for each month. The model should also highlight the difference between November through April and May through October rates in terms of any differences in the tier structure and in the TOU for off/mid/on peak hours.

v) With respect to the Preparation of Billing Quantities by the Smart Metering Entity, LPMA's only concern is that TOU data continues to be collected and recorded and available for use by consumers in determining which price structure to choose, including not only switching to tiered prices, but also switching to TOU prices. The SME should continue to gather and record this information at the TOU level of detail.

### E. Coming into Force

The Board has indicated that it would be assisted by stakeholder comments on whether distributors should be permitted to accept election forms before October 13, 2020, if they are able to do so. LPMA submits that distributors should be able to do so, but only if they are also able to provide their customers with the information and ability to make an informed decision. In particular, will the Board have the November 1, 2020 rates available for use in a model as noted above prior to October 13, 2020? In order to make an informed decision, customers need to know the rates for both of their options.

### Appendix

LPMA notes that in Section 1.6.7 does not include Section 3.8.4 which is revoked effective October 13, 2020, although it does include Sections 3.2.5 and 3.6 which are also revoked.

Section 3.2.5 is proposed to be revoked effective October 13, 2020. However, Section 3.2.4 still has a reference to 3.2.5. Similarly, Section 3.8.4 is proposed to be revoked effective October 13, 2020 but there are still references to this section in Sections 3.8.1 and 3.8.2. LPMA suggests these sections should be amended to remove references to the revoked sections.

Yours very truly,

Randy Aiken  
Aiken & Associates