

October 21st 2015

Sent by courier to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O.Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

Dear Ms. Walli,

Re: Written Comments, EB-2015-0268 Proposed Amendments

Attached to this letter, we kindly submit 3 paper copies of Canadian RiteRate Energy Corporation's (RiteRate's) written comments in response to the Ontario Energy Board's (OEB's) Notice of Proposal to Amend a Code and to Amend a Rule – Proposed Amendments to the Electricity Retailer Code of Conduct, the Code of Conduct for Gas Marketers, The Retail Settlement Code and the Gas Distribution Access Rule (EB-2015-0268 Proposed Amendments).

For further information, please contact me at the information provided below.

Sincerely,



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Thank-you for providing an opportunity to comment on EB-2015-0268 Proposed Amendments. As per RiteRate's interpretation of the Notice published on October 5th 2015, the OEB is soliciting comments on proposed amendments to the following areas:

1. Current and proposed future measures
2. Electricity Retailer Code of Conduct
3. Code of Conduct for Gas Marketers
4. Retail Settlement Code
5. Gas Distribution Access Rule

As such, the structure of our comments follows the areas and order of amendments as identified above.

1. Current and Proposed Future Measures

To provide commentary related to proposed amendments, our comments follow the order of mention in EB-2015-0268 Proposed Amendments:

a) Plain Language Contracts: RiteRate is supportive of the OEB's amendment to introduce standardized headings and subheadings. RiteRate however recommends providing an option to change the grammatical subject of the headings/headings from "You" to "I" as further detailed in the sections titled 'Retailer Code of Conduct' and 'Code of Conduct for Gas Marketers'.

b) Cover Sheet: While RiteRate is supportive of added consumer protection, RiteRate is concerned that the depth of the proposed amendments cumulatively may actually desensitize the customer to the respective documents. Currently the OEB is proposing extensive measures to be included as part of the agreement including standardized terms, standardized contracts, tip sheets, price comparisons, disclosure documents, verification calls, in addition to the cover sheets. Collectively, these measures will provide substantial but repetitive information and will be contrary to the findings and recommendations of the ECPA Review where the OEB states that "important consumer-facing materials [should be] reader-friendly, simple and as short as possible". We believe that a combination of such information on the cover sheet into one document, such as the disclosure document would actually prove more useful than multiple pages of information that may overwhelm a residential consumer.

Furthermore, including an OEB approved cover sheet will dilute significant branding and marketing efforts undertaken by marketers/retailers by including a standardized cover sheet on the front page. RiteRate looks forward to providing additional comments on the proposal made for a cover sheet at a later date.

c) Tips Sheets: RiteRate respectfully has no comments to provide.

d) Standardized Contracts: RiteRate agrees that such a measure would require time and extensive consultation. We look forward to providing comments on this measure in the future.

e) General Changes to Bill: RiteRate is supportive of proposed amendments to changes to the utility bill. Pending the EBT's Standards Working Group Report and the OEB's final decision, we recommend that it may be worthwhile considering inclusion of a marketer/retailer logo to the bill to more adequately and visually indicate a distinction between the utility and the marketer/retailer.

f) Including Commodity Costs on Bills: Currently, the Price Comparisons provide a comparison of the current utility rate to the proposed rate offered by the marketer/retailer. However, this comparison provides a limited reference given the nature of fixed-term agreements versus variable utility rates. Since it does not include a forecast of utility rates, this comparison has the effect of comparing a snapshot to a moving continuum of pricing. This current comparison thus has issues that causes customer confusion, as is repeatedly experienced by RiteRate.

The inclusion of a current utility cost would continue to contribute to the same confusion. Furthermore, this additionally causes confusion related to value proposition. As per regulations, marketers and retailers do not make references to savings in their marketing activities and agreements – they often focus their messaging on supply cost certainty and insurance. The inclusion of the utility cost on the bill compared to the marketer/retailer cost will always force consumers to think in terms of current savings, much like a mutual fund statement that shows the value of the portfolio versus the current market value of units held. RiteRate find this to be contrary to the 'no saving communication' spirit of the current ECPA and the O.Reg 389/10.

If a meaningful comparison is desired, with true transparency, then historical rates and costs should also be provided on the bill along with commentary on a forecast of future prices. For electricity specifically, the same holds true but would also require showing a break-down of on-peak, mid-peak and off-peak usage and respective agreement rates and costs, even if they are the same. It would also require disclosure that the Regulated Price Plan (RPP) rates include a forecast of the Global Adjustment and Hourly Ontario Energy Price and the current wholesale market rates at a minimum. Cost of to implement such a system would conceivably be high, but may be of significant value in enhancing consumer knowledge/awareness.

g) Notice of Switching Suppliers: Enbridge and Union currently follow a similar process for the utilities where marketer submitted 'Consumer Drops' are processed and a letter is sent to consumers informing them that the utility will be their new supplier as of a certain date. Bilateral implementation of this (indicating a change in supplier), along with implementation across the electricity utilities would be a welcome improvement to the current system and would provide consumers with necessary notification of their start date, especially in the case of electricity where start dates are dictated by the utility and not the retailer. However, costs to implement these changes should be borne by the utilities as cost of service and not passed on to retailers as it is effectively improvements to utility communications.

h) Amendments to Disclosures, Price Comparisons and Scripts: RiteRate looks forward to providing comments to proposed revisions in the near future.

i) Comparative Pricing Website: RiteRate supports the development of an OEB administered comparative pricing website. However, RiteRate recommends that such a comparative tool would benefit from standardization of the Hourly Ontario Energy Price forecast amongst all retailers to the same number used in the Navigant's Ontario Wholesale Electricity Market Price Forecast report, or the implied forecast rate used in the RPP Price Reports. This would provide a level playing field for comparative purposes.

Due to the competitive nature of the market, along with the volatility of natural gas forwards market, RiteRate also suggests that such a website be built with a stakeholder portal. This would allow marketers/retailers to update rates more effectively to respond to changing market dynamics while avoiding any errors that may arise from human input error or translation/transposition errors between parties.

j) Complaint and Compliance Information: RiteRate supports the development of clear access to complaint and compliance information, however, the OEB may also wish to consider providing marketers/retailers with access to such information as well for reconciliation, along with a method to reclassify a complaint. For example, we have experienced instances where customers have simply called the OEB for informational purposes with no formal complaint, yet it is classified as a complaint by nature of the fact that a call was made to the OEB. Furthermore, RiteRate has no adequate way of reconciling the accuracy of current statistics on the OEB's website related to consumer complaints.

With the added measures being proposed by the OEB and awareness campaigns, the OEB could potentially experience an increase in customer calls and a marketer/retailer system to complement the consumer portal would be instrumental in managing individual marketer/retailer brands.

k) Low Income Consultation: RiteRate looks forward to participating in proposed consultations in the near future.

l) Supplier Pricing Practices/Hedging: RiteRate looks forward to participating in proposed extensive consultations in the near future.

m) Timing of Implementation: Near term changes being proposed are quite significant and will require adequate consultation. RiteRate urges the OEB to carefully consider implementation timelines to ensure that a rushed process does not result in avoidable errors. Furthermore, RiteRate also urges the OEB to formalize a process for the discussion of implementation issues.

2. Electricity Retailer Code of Conduct

Recommendation 1: Explicit reference to marketing to a person at a consumer's home:

While the proposed updates to the code have made explicit references to offers made to a "low volume consumer in person at the consumer's home" or to "residential low volume consumers" in various updates, RiteRate believes there is an opportunity to make further updates. The intent is to avoid any confusion between the distinctions of residential versus small commercial consumers that may arise from a prescriptive interpretation of the Code in isolation. Such sections include:

- Part A §1.4.2 (c) – make reference to low volume consumer in person at the consumer’s home
- Part B §1.1 (f.2) – make reference to low volume consumer in person at the consumer’s home
- Part B §1.2 – make explicit reference to residential low volume consumers
- Part B §3.2A – make explicit reference to residential low volume consumers
- Part B §3.2C – make explicit reference to residential low volume consumers

Recommendation 2: Explicit distinction between retailing and marketing/advertising:

Part B §1.1 (f.1) uses the term *retailing* to a low volume consumer, however, this activity may be banned at a person’s residential premises under Bill 112. Changing the term ‘retailing’ to ‘marketing or advertising’ may provide more clarity, avoiding any potential confusion.

Recommendation 3: Option for grammatical subject changes in contract headings/subheadings

Part B §3.2D outlines new requirements for contracts. The subject of the proposed headings/subheadings are “You”. However, terms and conditions may also be written from the point of view of “I”. For example, “If You Have a Complaint or Question”, can also be worded as “If I Have a Complaint or Question” depending on the grammatical subject’s points of view in the agreements. We recommend adding an “or” statement to the following sections of the Code, or making applicable changes as follows:

- Part B §3.2D – or “Contract Price and Other Charges I Must Pay”
- Part B §3.2D (ii) – or “Charges I Must Pay to Others”
- Part B §3.2D (c)– or “How I Pay, Deposits, Late Payments, etc.”
- Part B §3.2D (d) – or “I Can Change My Mind About this Contract”
- Part B §3.2D (e (i)) – or “I Can End this Contract If...”
- Part B §3.2D (e (ii)) – or “This Contract Can End If”
- Part B §3.2D (g) – change heading to “Contact Information”
- Part B §3.2D (g (i)) – or “If I have a Complaint or Question”

3. Code of Conduct for Gas Marketers

Recommendation 1: Explicit reference to marketing to a person at a consumer’s home:

As indicated for the Electricity Retailer Code of Conduct, respective sections for the Code of Conduct for Gas Marketers include:

- Part A §1.4.2 (c) – make reference to low volume consumer in person at the consumer’s home
- Part B §1.1 (f.2) – make reference to low volume consumer in person at the consumer’s home
- Part B §1.2 – make explicit reference to residential low volume consumers
- Part B §3.2A – make explicit reference to residential low volume consumers
- Part B §3.2C – make explicit reference to residential low volume consumers

Recommendation 2: Explicit distinction between marketing and advertising:

Part B §1.1 (f.1) uses the term *marketing* to a low volume consumer in the context of natural gas supply, however, this activity may be banned at a person's residential premises under Bill 112. Changing the term 'marketing' to 'advertising' may provide more clarity, avoiding any potential confusion.

Recommendation 3: Option for grammatical subject changes in contract headings/subheadings

As indicated for the Electricity Retailer Code of Conduct, respective sections for the Code of Conduct for Gas Marketers include:

- Part B §3.2D – or “Contract Price and Other Charges I Must Pay”
- Part B §3.2D (ii) – or “Charges I Must Pay to Others”
- Part B §3.2D (c)– or “How I Pay, Deposits, Late Payments, etc.”
- Part B §3.2D (d) – or “I Can Change My Mind About this Contract”
- Part B §3.2D (e (i)) – or “I Can End this Contract If...”
- Part B §3.2D (e (ii)) – or “This Contract Can End If”
- Part B §3.2D (g) – change heading to “Contact Information”
- Part B §3.2D (g (i)) – or “If I have a Complaint or Question”

4. Retail Settlement Code

§7.2.3 has been proposed as an addition to the Code. §7.2.3 (a) specifically identifying inclusion of the following phrase to utility bills “*You Are Buying Your Electricity From*”. RiteRate believes this statement may cause confusion and recommends changing the phrase to “*Your Electricity Is Being Supplied By*”. The rationale for this recommendation is based on the issue found through the ECPA review of low consumer understanding/knowledge. By explicitly stating ‘Electricity Supply’ versus a generic ‘Electricity’ term, consumers may be better equipped to understand the differences of the various bill line items related to supply, distribution, transmission, regulatory charges, taxes and so on.

5. Gas Distribution Access Rule

§§6.1.4 and 6.1.5 have been proposed as additions. §6.1.4 (a) specifically identifies inclusion of the following phrase to utility bills “*You Are Buying Your Gas From*”. RiteRate believes this statement may cause confusion and recommends changing the phrase to “*Your Natural Gas Is Being Supplied By*”. The rationale for this recommendation is based on the issue found through the ECPA review of low consumer understanding/knowledge. By explicitly stating ‘Natural Gas Supply’ versus a generic ‘Gas’ term, consumers may be better equipped to understand the differences of the various bill line items related to supply, delivery, transportation, customer charges, taxes and so on.