

October 22, 2015

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0268 – 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 – Union Gas comments**

Union has reviewed the Board's letter of October 5, 2015 and provides the following comments. It is Union's position that the current rules in place for the gas utilities are sufficient. Costs would be incurred for some of the proposed or contemplated changes and if those changes are implemented, Union will consider seeking recovery of those costs.

The following are Union's comments regarding the five proposed changes to the GDAR rules.

**1) Plain language contracts**

*In its ECPA Report, the OEB noted that certain key provisions in retail contracts, such as cancellation rights and fees, are of particular importance to consumers and need to be emphasized and in plain language. Some other jurisdictions require some form of plain language contract terms to be available to consumers.*

**Union comment:** Union has no position on the related recommendation as this relates to the contractual relationship between the energy marketer and the consumer.

**2) Making Retail Contracts more Visible on the Bill**

*(i) The OEB proposes to amend the RSC and the GDAR such that a distributor-consolidated bill issued to a low volume consumer that has a contract with a supplier must include a statement, in capital letters, to the effect that the consumer's supply is being provided under contract. The OEB also proposes to require distributors to provide for up to 500 text characters for the display of this statement, together with the supplier's name, telephone number, website, and e-mail address on the bill.*

From Attachment D - changes to GDAR 6.1.4 and 6.1.5:

*6.1.4 In the case of gas distributor-consolidated billing, and despite any Service Agreement, a gas distributor shall, in respect of a low volume consumer that is served by a gas vendor:*

*(a) include, on the part of each bill submitted to the low volume consumer that relates to the commodity price, the phrase "YOU ARE BUYING YOUR GAS FROM", followed by the gas vendor's name in capital letters and the gas vendor's telephone number, website address and e-mail address as provided by the gas vendor; and*

*(b) make available on the bill up to 500 text characters, including blank spaces, for the information set out in (a).*

*6.1.5 Despite any Service Agreement, a gas vendor shall provide each applicable gas distributor with the gas vendor information identified in section 6.1.4(a).*

**Union comment:**

Union currently provides the vendor's name and phone number on the monthly bill issued to customers. It is Union's view that the contact information currently provided is adequate for customers to contact the vendor.

Union cannot complete this revision by January 1, 2016. Any change to the information provided on the bill (changing to capital letters, adding additional contact information) will require changes to the billing system and bill print files which involves work by Union's vendor (Vertex) as well as Union's internal IT group. A minimum of 6 months is required to effect this change at a cost of approximately \$40,000.

Although current vendor contact information is included in the Electronic Business Transaction (EBT) schema (data file format), its use as the vehicle for this information is not mandatory as each utility's systems are configured differently. For Union, this information is provided by the vendor to Union off-line and Union relies on the vendor to inform Union when this information changes. If changes are required to the Electronic Business Transactions schema for the passing of additional contact information then some additional time and systems work (at additional cost) will be required to give effect to those changes.

Union has begun a significant update to its systems which will make the implementation of changes affecting those systems challenging; changes can be made but the implementation timeline would be longer than normal. Union suggests that it would be appropriate to develop an implementation timeline once the requirements have been finalized.

**2 (ii) Cost Comparisons:** *Although amendments to the RSC and the GDAR are therefore not being proposed at this time in relation to the inclusion of both the contract and system supply costs on bill, it would be helpful to the OEB if interested parties could include in their comments made in response to this Notice their thoughts on how the approach might best be implemented with minimal risk of consumer*

*confusion and minimal operational concerns.... and will consult directly with the EBT regarding any required changes to the EBT standards.*

**Union Comment:**

Union does not support this change. Introducing more cost comparisons on the bill will add customer confusion and drive additional call volumes for Union’s call centres, with the annual cost estimated at \$745,000. Union does not see incremental value in adding this information to the bill. The consumer receives a Board approved cost comparison when they sign up for a contract, and then makes their decision accordingly. Once they are committed to the contract, there is no benefit of a monthly update to this same information. There would be a cost associated with further changes and a minimum of 6 months would be required after approval, to implement the changes. These changes could not be implemented by January 1, 2016.

**Cost:** Additional IT work would be required with a preliminary cost estimate of \$40,000-75,000 and a lead time of 6 months to implement. There is limited space to include additional information before the bill requires an additional (third) page. If further changes are required, the cost of an additional page on the bill increases the postage rate by \$0.24 per bill, in addition to the cost of additional call volume noted above.

**3) Consumer “tip” sheet**

*The OEB therefore proposes to amend the Retailer Code and the Marketer Code to require suppliers to provide an OEB-approved “tip sheet” to consumers when engaged in marketing activities at a consumer’s home.*

**Union comment:** As noted in item 1, Union has no comments.

**4) Written notice to consumers of the switch to a supplier**

*To promote consumer awareness that their supply arrangements are changing as a consequence of having entered into a contract, the OEB proposes to amend the RSC and the GDAR to require distributors to provide written notice to low volume consumers of the switch to a supplier. The notice must include certain prescribed information, such as the name of the supplier, the effective date of the switch, and whether the consumer will continue to receive a bill from the distributor. Although the OEB understands that distributor-consolidated billing is pervasive in both the gas and electricity sectors at the present time, this may not always be the case. The OEB believes that this measure will be most effective if sent separate and apart from any other correspondence from the distributor, including the bill. The proposed amendments to the RSC and the GDAR have been drafted accordingly. The OEB intends to prepare a form of letter that distributors may use for purposes of this new notice requirement.*

***From Attachment D re section 4.3:***

*Section 4.3 of the Gas Distribution Access Rule is amended by adding the following new sections 4.3.10 to 4.3.12:*

*4.3.10 Where a gas distributor processes an STR for a change in supply in respect of a low volume consumer under section 4.3.5 or 4.3.6, the gas distributor shall notify the low volume consumer of the transfer in writing within 5 business days of the date on which processing of the STR has been completed. The notice must:*

- (a) be sent to the low volume consumer in accordance with section 4.3.1.12 and separate from any other communication from the gas distributor;*
- (b) include the information set out in 4.3.1.11; and*
- (c) not include any promotional statements about the gas distributor's business or services.*

*4.3.11 The notice referred to in section 4.3.10 must include:*

- (a) the name of the gas vendor to which the consumer was transferred;*
- (b) the date on which the transfer became effective;*
- (c) whether the low volume consumer will continue to receive a bill from the gas distributor that includes the price of the gas commodity under gas distributor-consolidated billing or whether the low volume consumer will be billed using split billing or gas vendor-consolidated billing; including the date on which the gas distributor expects the low volume consumer to receive their first bill from the gas distributor under the new supply arrangement; and*
- (d) information about how to contact the gas distributor if the low volume consumer has questions about the transfer.*

*4.3.12 Subject to any arrangements to the contrary that a gas distributor may have with a low volume consumer in relation to communications, the notice referred to in section 4.3.10 may be sent to the low volume consumer by courier, mail, facsimile or e-mail. The notice may not be given by telephone.*

**Union Comment:**

Union currently sends a letter to a consumer when they return to system gas. Union can also provide a letter to consumers when the customer chooses to move from system gas to direct purchase from a marketer, or if the customer switches from one marketer to another marketer. Union does not anticipate any changes to the EBT transactions but would require business process and IT changes to trigger when this letter would be issued. This letter would be activated after the contest period and the transaction has been processed. Union would need a lead time of 6 months in order to make the necessary system changes at an estimated cost of \$10,000. In addition, there will be a cost of \$0.80 postage per letter. Union suggests that it would be appropriate to develop an implementation timeline once the requirements have been finalized.

**5) Housekeeping Amendments** – changes to the Retailer Code and Marketer Code

**Union Comment:** Union has no comments.

If you have any questions, please contact me at (519) 436-5473.

Yours truly,

*[Original signed by]*

Karen Hockin  
Manager, Regulatory Initiatives

c.c.: M. Kitchen, Union