

October 5, 2016

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

Via web portal and by courier

Dear Board Secretary:

Re: Board File no. EB-2015-0268

Proposed amendments to Codes and Rules to implement certain recommendations set out in the *Consumers Come First* report on the effectiveness of the *Energy Consumer Protection Act, 2010 (ECPA)*

To Whom It May Concern,

The Electricity Distributors Association (EDA) represents the collective voice of Ontario's local electricity distribution sector, which safely and reliably delivers power to millions of homes, businesses and public institutions. The EDA draws together under a single umbrella approximately 66 of the local distribution companies (LDCs) that deliver electricity to homes and businesses across Ontario. The distribution sector as a whole employs 10,000 people directly, holds \$19 billion in assets, and makes hundreds of millions of dollars annually in direct contributions to both municipal and provincial revenues.

The EDA welcomes the opportunity to provide comments on the OEB's proposed amendments to various codes and rules to address certain findings and to implement specific findings set out in the OEB's *Consumers Come First* report to the Minister of Energy on the effectiveness of the *2010 Energy Consumer Protection Act (ECPA)*. The EDA has been extensively involved in the review of the ECPA, including participating in the stakeholder sessions and filing several rounds of submissions on the implementation of various changes to the ECPA. As the OEB is aware, LDCs have been a strong advocate for ensuring customers are provided with plain language contracts and with full disclosure of prices when they sign a retailer contract and welcomes the proposed changes pertaining to codes and rules.

Proposed amendments to the Retail Settlement Code (RSC) Mandating a Written Notice of Switch

As the OEB will recall, the EDA stated in its October 21, 2015 submission that it was not supportive of the OEB requiring LDCs to provide a notification of transfer to a low-volume customer once the LDC receives the Supply Transfer Request (STR) notification for a change in supply from a retailer, as the signed contract is between the customer and the energy retailer. However, our submission

recommended several changes to the content of the notice if the OEB does move forward with mandating a Written Notice of Switch.

The EDA notes that the OEB has taken its recommendations into consideration and has made several changes aligned with the EDA's comments. We recommend the following further changes to the OEB's proposed amendments:

Comments on Section 10.5.4A

The OEB's proposed amendments state the following regarding the timing of the notice to be sent by the LDC:

"The notice shall be sent within 5 business days of the date on which processing of the STR has been completed or such later date as may be required to ensure that the notice is not sent to the low volume consumer until the next bill issue to the low volume consumer reflects the change in supply."

LDCs are mandated to move to monthly bills by January 1, 2017. The OEB's proposed changes may mean that based on the timing of the billing cycle, customers may not receive the notice of switch until the cooling off period has almost passed. Given that customers may need to review the retail contract and take appropriate actions to contact the retailer, the EDA recommends that the Written Notice of Switch be sent out to the customer *"within 5 business days of the date on which processing of the STR has been completed"* and remove the remainder of the sentence after *"or such later date..."*.

Proposed Amendments to the RSC to make Retail contracts more visible on the bill

The EDA appreciates that the OEB has removed the requirement for the LDC to provide up to 500 text characters on the bill to provide retailer information and also that retailer logos will not be allowed on LDC bills. However, the requirement to provide the retailer's name (in capitals), its telephone number and website address may require some LDCs to make significant changes to their CIS and bill printing configurations. LDCs that offer bilingual bills will be faced with an even bigger challenge. This will mean increased printing and paper costs for some LDCs.

The OEB's proposed amendments state that the OEB will consider providing some flexibility for bill presentment in the case of gas bills given that natural gas contracts can include other charges. The EDA recommends that the OEB provide a similar level of flexibility to the LDCs as they also have various other charges to present on the bill.

Comments on Section 7.2.3

We recommend that in this section, the mandatory phrase "YOU ARE BUYING YOUR ELECTRICITY FROM (INSERT NAME OF RETAILER)" be followed by an asterisk (*), if required, and a note can be presented on another section of the customer's bill to provide the toll-free telephone number and the website address. We also recommend that the OEB should give LDCs the flexibility to include this mandatory statement on a section of the bill at the discretion of the LDC as long as it is displayed prominently on the bill. This will allow LDCs to present the mandatory statement on the bill while taking into account its individual billing constraints and in a manner that is clearest to the customer.

In addition, on page 5 of the OEB's Notice of Amendments, the second bullet refers to the "contract price"- distributors are not provided with the retailer's "contract price" specifically but rather the total electricity charges as provided by the retailer's line item. The EDA recommends that the reference in the proposed letter be changed to "electricity charge" as provided in the following Proposed Notice of Switch Letter.

Proposed Notice of Switch Letters for Electricity Contracts

Please see the following tracked changes for the Proposed Notice of Switch Letter for electricity contracts:

Dear [Consumer]

RE: YOU ARE NOW BUYING ELECTRICITY FROM [ELECTRICITY RETAILER NAME]

[Electricity Retailer Name] informed us that you have a new contract to buy your electricity from them. [LDC name] has ~~We have~~ made changes to your account to show that your electricity will now be supplied by [Electricity Retailer Name].

~~We~~ [LDC name] will still be sending you your electricity bill every month, but the bill will show the ~~price~~ electricity charge from your contract with [Electricity Retailer Name] instead of the ~~price~~ electricity charge you are paying today. The ~~price~~ electricity charge in the contract covers only the cost of the electricity that you use. It does not cover all of the charges on your bill. ~~You should start to see new contract price electricity charge as per your contract on your next electricity bill.~~ [Electricity Retailer Name] will also ~~start to appear on your bill.~~ You should begin to see the electricity charge from your retailer contract on your bill at the same time as the name of [Electricity Retailer Name] starts appearing on your bill. Please note that the Global Adjustment will also begin to appear as a separate charge ~~line~~ on your bill.

If you have any questions about this change to your account, please contact [Electricity Retailer Name] at [insert telephone number] (toll free). [reference to the Electricity Retailer's website address and/or other contact information may be added here]

For general questions about electricity contracts or the Global Adjustment, you can visit the Ontario Energy Board's website www.ontarioenergyboard.ca or contact the OEB's Consumer Relations Centre at consumerrelations@ontarioenergyboard.ca or 1-877-632-2727 (toll free). The Ontario Energy Board is the independent government agency that oversees the electricity and natural gas sectors in Ontario

Yours truly,

~~[insert name, title and contact information for electricity distributor representative, and electricity distributor's website address if desired]~~

[Insert LDC name, general mailing address, website address and customer service department telephone number (toll free, if available)]

Implementation costs and timelines

The EDA recommends that the final amendments pertaining to codes and rules and other recommendations such as making retail contracts more visible on the bill all come into force at the same time on July 1, 2017 so that LDCs have adequate time to make all the necessary changes.

We also recommend that the OEB complete its ongoing work on miscellaneous rates and charges (EB-2015-0304) before the deadline of the code changes comes into force so that LDCs have proper direction on how to recover transactional costs related to the Notice of Switch and other administrative costs related to implementing these changes.

If the work on miscellaneous rates is not complete before the implementation of the Written Notice of Switch, we request that LDCs be allowed to recover transactional costs in a variance account until such time as the miscellaneous rates are approved.

The EDA does not have comments to the amendments proposed to the other codes and rules.

Thank you again for the opportunity to provide comments on this consultation. We look forward to the next steps in this consultation process.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa Sarkesian", with a long horizontal flourish extending to the right.

Teresa Sarkesian, President and CEO

:akh