



DECISION AND ORDER

EB-2024-0226

**In the matter of the inflationary adjustment effective
January 1, 2025, for energy retailer service charges for
electricity distributors**

BY DELEGATION, BEFORE: **Kevin Mancherjee**
Director
Operations Decision Support

September 26, 2024

1 OVERVIEW

On November 29, 2018, the Ontario Energy Board (OEB) issued the [Report of the Ontario Energy Board: Energy Retailer Service Charges](#) (Report) setting out the conclusions of the OEB following its review of energy retailer service charges for electricity and natural gas distributors. Energy retailer service charges refer to the charges that recover the cost of services provided by electricity and natural gas distributors to electricity retailers or natural gas marketers (collectively referred to as energy retailers) or to customers, related to the supply of competitive electricity or natural gas.

Following the issuance of the Report, the OEB issued a Decision and Rate Order on February 14, 2019, pursuant to section 78 of the *Ontario Energy Board Act, 1998* (the OEB Act).¹ The Decision and Rate Order approved generic energy retailer service charges effective May 1, 2019, for all rate-regulated electricity distributors and established a notice of switch letter charge for both rate-regulated electricity and natural gas distributors.

One of the findings of the Report was that energy retailer service charges would be adjusted annually commencing on January 1, 2020, based on the OEB's inflation factor. This Decision and Order sets out the inflation-adjusted energy retailer service charges, including the notice of switch letter charge, for electricity distributors effective January 1, 2025. The updated service charges have been calculated using the OEB's inflation factor for electricity distributors of 3.6% for 2025.² The updated charges are shown in the Updated Charge column of Schedule A to this Decision and Order.

¹ EB-2015-0304

² OEB Letter, 2025 Inflation Parameters, issued June 20, 2024

2 CONTEXT AND PROCESS

Adjusting the generic retailer service charges for electricity distributors is a purely formulaic exercise. It is simply a matter of adjusting the previously approved rates by the OEB's inflation factor. Accordingly, this Decision and Order is being issued by a delegated decision-maker without a hearing pursuant to section 6 of the OEB Act.

3 INFLATIONARY ADJUSTMENT TO ENERGY RETAILER SERVICE CHARGES

The Report determined that the energy retailer service charges for electricity and natural gas distributors would be adjusted for inflation on January 1, 2020, and on every January 1 thereafter.

The Report outlined the process that the OEB would follow with respect to adjusting the energy retailer service charges by inflation. For electricity distributors, the Report stated that the OEB will issue a generic order annually, effective January 1 of each year setting out the inflation-adjusted service charges. For natural gas distributors, the Report stated that the service charges would be inflation-adjusted on a distributor-specific basis as part of the natural gas distributor's annual rates applications.³

Multiplying each of the retailer service charges by 3.6% results in the updated charges shown in the Updated Charge column of Schedule A to this Decision and Order. These inflation-adjusted charges will be effective January 1, 2025.

³ As determined in the Report, the OEB will not require any inflationary adjustments to the Agent Billing and Collection charges of Enbridge Gas Inc. as they are structured as a non-utility service.

4 ORDER

IT IS ORDERED THAT:

1. Effective January 1, 2025, all rate-regulated electricity distributors shall charge the retailer service charges set out in the Updated Charge column of the table found in **Schedule A**.

DATED at Toronto September 29, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND ORDER
EB-2024-0226
SEPTEMBER 29, 2024

ELECTRICITY DISTRIBUTOR RETAILER SERVICE CHARGES EFFECTIVE JANUARY 1, 2025

Service Charge	Current Charge	Updated Charge, Effective January 1, 2025
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$117.02	\$121.23
Monthly fixed charge, per retailer	\$46.81	\$48.50
Monthly variable charge, per customer, per retailer	\$1.16	\$1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$0.69	\$0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	(\$0.69)	\$(0.71)
Service Transaction Requests – Request fee, per request, applied to the requesting party	\$0.59	\$0.61
Service Transaction Requests – Processing fee, per request, applied to the requesting party	\$1.16	\$1.20
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the EBT system, applied to the requesting party	No charge (up to twice a year) \$4.68 (more than twice a year, per request, plus incremental delivery costs)	No charge (up to twice a year) \$4.85 (more than twice a year, per request, plus incremental delivery costs)
Notice of switch letter charge, per letter ¹	\$2.34	\$2.42

¹ Applicable only to distributors who did not opt out of applying the notice of switch charge. Applicable only to letters that are sent by standard hard copy.