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BY E-MAIL AND WEB POSTING

September 6, 2018

**TO: All Licensed Electricity Distributors
All Rate-Regulated Natural Gas Distributors
All Licensed Unit Sub-Meter Providers
All Participants in Consultation Process EB-2017-0183
All Other Interested Parties**

**RE: Report of the Ontario Energy Board
Review of Customer Service Rules for Utilities
OEB File No. EB-2017-0183**

Today the Ontario Energy Board (OEB) issued, for comment, its Report on Phase 1 of its review of the customer service rules for licensed electricity distributors, rate-regulated natural gas distributors and unit sub-meter providers (collectively, utilities). The Report outlines the findings from the research and engagement activities that the OEB undertook as part of the review, along with the OEB's proposed changes to the rules and service charges relating to non-payment of accounts.

As part of its commitment to protect Ontario energy consumers, by [letter](#) dated May 16, 2017, the OEB initiated a review of the customer service rules for utilities. The review is being undertaken in two phases. Phase 1 of the review has covered the following areas:

- The current regulatory framework for gas distributors and whether it should be aligned with the regulatory framework for electricity distributors
- Customer service rules addressing security deposits, billing and payments, and disconnection for non-payment
- Service charges relating to non-payment of accounts

The OEB expects to initiate Phase 2 of the review this fall. In the second phase, the OEB will review rules relating to management of customer accounts and related service charges and correction of billing errors. It will also examine the need for changes to reporting requirements to better track the impact of the rules. The OEB also plans to review prepaid metering and associated issues in Phase 2 of the review.

BACKGROUND

The OEB has detailed customer service rules in place for licensed electricity distributors and unit sub-meter providers. All of these rules apply to residential customers; some also apply to small business customers. The rules for electricity distributors are set out in the OEB's [Distribution System Code](#), [Retail Settlement Code](#), and [Standard Supply Service Code](#), and those applicable to unit sub-meter providers are set out in the [Unit Sub-Metering Code](#) (collectively, Codes). The OEB also requires rate-regulated natural gas distributors to implement, publish and comply with residential customer service policies in the major areas addressed by the electricity sector rules. This requirement is set out in the OEB's [Gas Distribution Access Rule](#) (GDAR).

Most of the current rules have been in place for more than seven years and their development was undertaken almost ten years ago. The OEB committed to review these rules once there was sufficient experience with them. In that time, the energy sector has gone through significant transformation and consumer expectations have evolved, as has the OEB's approach to regulation and consumer protection. This review will ensure that the OEB's customer service rules for utilities appropriately reflect the reasonable service expectations of utility customers.

In undertaking Phase 1 of the customer service review, the OEB benefitted greatly from hearing directly from utility customers. The OEB heard from more than 2,500 residential and small business customers through meetings and public surveys. The OEB also invited a number of consumer groups for consultation and met with the following interested groups: Low Income Energy Network, Ontario Chamber of Commerce, Six Nations of the Grand River Territory, Vulnerable Energy Consumers Coalition, and United Way Bruce Grey. Furthermore, the OEB considered best practices of energy utilities and other service sectors in jurisdictions across Canada and the U.S. The findings from these engagement activities informed the changes proposed in the Report.

WHAT WE PROPOSE IN THE REPORT

The Report proposes a number of changes to the customer service rules and associated service charges. The changes are intended to maintain the right balance between consumer protection and the operational needs of energy utilities. Below is an overview of some of the key changes proposed in the Report.

Aligning the Customer Service Regulatory Framework for Gas and Electricity

Distributors: The OEB proposes to develop customer service rules for gas distributors that are aligned with the rules applicable to electricity distributors (including changes resulting from this consultation), to establish a standard minimum level of customer service across energy distributors in Ontario. This proposal reflects Ontario energy customers' expectations as well

as practices in other jurisdictions.

More Time to Pay: The OEB proposes that utilities provide customers at least 20 calendar days to pay their bills before a late payment charge is applied. Most customers agreed that 20 days is a reasonable time to pay the bill. Based on our review of energy utilities in other jurisdictions, it appears that 20 days or more is the general practice.

Assisting Customers in Managing Arrears: The OEB proposes the following changes to service charges related to non-payment of accounts, with the objective of preventing increases in customer arrears to a point that may become unmanageable:

- Any distributor charges related to collection of accounts and installation/removal of load control devices should be discontinued
- Any distributor reconnection charge should be waived for eligible-low income customers. Other residential customers should be allowed to pay the charge over a period of three months

Increased Protection for Small Business Customers: The OEB is proposing to enhance the level of service for small business customers in several areas such as security deposits, equal billing and payment arrangements:

- Utilities should return security deposits sooner, after three years of good payment history rather than five years
- Distributors should offer equal billing plans to small business customers meeting the OEB prescribed criteria
- Utilities should provide small business customers that are unable to pay their bills with suitable payment arrangements

This Report substantively completes Phase 1 of the customer service rules review. The OEB will consider the comments received from consumers and stakeholders on the Report before developing notices of proposed amendments to the Codes and the GDAR. The proposed amendments will also be issued for public comment. Once finalized, the OEB will amend utility rate orders to reflect changes to the service charges, as required.

INVITATION TO COMMENT

The OEB invites interested parties to submit written comments on the Report. Utilities are encouraged to identify any technical limitations that might affect a utility's ability to implement the proposals set out in the Report and the time required to address those limitations. Written comments on the Report are due by **October 5, 2018**.

The OEB requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings

through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice/>. A user ID is required to submit documents through the OEB's web portal. If you do not have a user ID, please visit the "e-filings services" [webpage](#) on the OEB's website at www.oeb.ca, and fill out a user ID password request.

Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the OEB's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.ca or by mail to the address below. Those who do not have computer access are required to file two (2) paper copies.

Mailing Address:

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Attention: Board Secretary

Filings to the OEB must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2017-0183** and include your name, address, telephone number and, where available, your e-mail address and fax number.

All filings received by the OEB in relation to this consultation will be available for viewing at the OEB's offices during normal business hours and will be placed on the OEB's website.

Comments from Individual Consumers

If the filing is from an individual consumer (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the filing available for viewing at the OEB's offices or placing the filing on the OEB's website, the OEB will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, phone number, and e-mail address of the individual). However, the name of the individual and the content of the filing will be available for viewing at the OEB's offices and will be placed on the OEB's website.

As an alternative to filing written comments, an individual consumer may anonymously complete an online questionnaire [here](#). The questionnaire will be available until October 5, 2018.

COST AWARDS

Cost awards will be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998* in relation to the provision of comments on the Report, **to a maximum of 20 hours**. Costs awarded, as well as the OEB's costs, will be recovered from rate-regulated licensed electricity distributors and rate-regulated gas distributors based on customer numbers.

Attachment A to this letter contains important information regarding cost awards, including in relation to eligibility requests and objections. The deadlines for filing cost eligibility requests and objections will be strictly enforced to facilitate a timely decision on cost eligibility.

In a [letter](#) dated February 21, 2018, the OEB determined the following consumer representatives to be eligible for an award of costs in relation to an earlier stage of this consultation:

- Association of Community Organizations for Reform Now (ACORN Canada)
- Canadian Federation of Independent Business
- Consumers Council of Canada
- Housing Help Centre
- Low Income Energy Network
- Ontario Chamber of Commerce
- Six Nations of the Grand River Territory
- United Way Bruce Grey
- Vulnerable Energy Consumers Coalition

These consumer representatives are considered eligible for costs in relation to the provision of comments on the Report and any later activities in this consultation that are determined to be eligible for cost awards, and need not submit a request for cost eligibility.

Any questions relating to this letter or the Report should be directed to Gona Jaff, Project Advisor at gona.jaff@oeb.ca or at 416-440-7613. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment

Attachment A
To Cover Letter Dated September 6, 2018

EB-2017-0183

COST AWARDS

Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its [*Practice Direction on Cost Awards*](#). Any person intending to request an award of costs must file with the OEB a written submission to that effect by **September 17, 2018**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the cost eligibility criteria as set out in section 3 of the *Practice Direction on Cost Awards*). All requests for cost eligibility will be posted by the OEB.

Rate-regulated licensed electricity distributors and rate-regulated natural gas distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity or natural gas distributor has any objections to any of the requests for cost eligibility, those objections must be filed with the OEB by **September 27, 2018**. Any objections will be posted by the OEB. The OEB will then make a final determination on the cost eligibility of the requesting participants.

Cost Eligible Activities and Hours

Cost awards will be available in relation to the provision of comments on the Report, to a **maximum of 20 hours**.

Cost awards will not be available in relation to the completion of the online questionnaire.

Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the OEB's Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and coordinate their participation in this process. Interested parties are reminded that cost awards are made available on a per eligible participant basis, regardless of the number of professional advisors that an eligible participant may wish to retain.

The OEB will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the OEB acting as a clearing house for the cost award payments. These documents can be found on the OEB's Rules, Codes, and Requirements webpage.