

Ontario Hydro Energy Inc.  
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BY E-MAIL AND MAIL

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October 19, 2000

Ms. Kathi Litt  
Regulatory Officer  
Ontario Energy Board  
26<sup>th</sup> Floor, P.O. Box 2319  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Litt:

RE: Staff Draft Gas Distributor Access Rule

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On behalf of Ontario Hydro Energy Inc., please find enclosed the Submissions of Ontario Hydro Energy Inc. with respect to the Draft Gas Distributor Access Rule.

Regards,

Ms. Laura Jurasek  
Manager, Regulatory Affairs  
Ontario Hydro Energy Inc.  
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LMJ:  
Encl.

**ONTARIO ENERGY BOARD**  
**IN THE MATTER OF THE DRAFT DISTRIBUTOR ACCESS RULE**  
**SUBMISSION**  
**OF ONTARIO HYDRO ENERGY INC.**

**Introduction**

Ontario Hydro Energy Inc. (“OHEI”) congratulates the Ontario Energy Board (the “Board”) on issuing the Draft Distributor Access Rule. OHEI supports symmetry in regulation of electricity and gas and strongly advocates the principle of customer mobility to advance meaningful competition.

**Customer Mobility Provisions of the Draft Rule**

The Draft Rule provides for specific customer mobility rules which gas distributors must follow upon receiving a service transfer request (“STR”) from a customer.

Section 7.5.1 reads:

An STR involving a transfer from one marketer to another shall be submitted to a distributor by a customer or by the marketer who proposes to supply the customer. A distributor shall notify the marketer of the identity of the current marketer and wait ten business days before continuing transfer processing. During the ten day waiting period the marketer who proposes to supply the customer shall notify the current marketer that it has submitted an STR to become the customers supplier of natural gas. If no response is received from the current marketer, the request shall be processed. The current marketer may request that the distributor delay processing the STR for an additional ten business days, commencing from the conclusion of the initial ten day period, to allow time for the current marketer to verify that the customer wishes to be released from his current contract. If, at the end of the second ten-business day period, the distributor has not received written authorization from the customer to cease processing, the transfer request shall be completed. If the customer, the new marketer, or the current marketer acting upon specific written authorization from the customer, notifies the distributor in writing that the transfer should be terminated the distributor shall cease transfer processing. If the customer requests that processing be terminated the customer shall provide the current marketer with written authorization dated no earlier than the date that the current marketer is informed of the transfer request. The party that submits the termination request shall notify the other two parties that processing has been terminated.

Section 7.6.3 reads:

If the STR is submitted by a marketer, the distributor shall notify the customer that a transfer is taking place and of the scheduled transfer date. If the customer wishes to terminate the process the customer must give direction to do so in writing, and the STR shall not be processed.

Section 7.6.4 reads:

If the STR is submitted by a customer, the distributor shall notify the affected marketer and delay processing for ten business days, unless the marketer responds that no delay is necessary. If, during the ten day waiting period, the distributor is notified in writing by the customer or the marketer that processing should be terminated, the distributor shall cease processing the STR. If the request to cease processing is received from a marketer, it must be accompanied by specific

written authorization from the customer dated no earlier than the date the current marketer is informed of the transfer request. The distributor shall notify the marketer, and confirm to the customer, that the transfer will not be completed. If no notification to terminate processing is received by the distributor, the STR shall be processed.

There are sections included in some Retailer contracts which allow the customer to appoint the Retailer as being the customer's sole and exclusive agent and supplier of natural gas for a fixed term as chosen by the customer.

Such clauses that currently exist within the industry for both gas and electricity state:

Authorization to Cease Transfer Request [Electricity example]

The applicant wishes to keep the wholesaler as the Applicant's sole and exclusive electricity supplier, agent and broker and does not wish to transfer to another electricity supplier, agent or broker. The Applicant hereby instructs the utility to cease processing any transfer request that the utility may have received and terminates such transfer request. This authorization may be used by the Wholesaler at any time subsequent to the date hereof provided that the Applicant authorizes the Wholesaler to do so by electronic mail, electronic voice mail or any other similar technology.

Notice of Appointment [Gas example]

I hereby appoint [Retailer Name] as my sole and exclusive agent and supplier for all purposes relating to the supply of natural gas to my location (s) from any source. This may include direct purchase gas, system gas or transportation services as well as delivery, and billing, on my behalf for the chosen term for the [name of fixed price program]. This agreement may automatically renew for successive terms, unless the customer or [retailer name] give the other party notice in writing at least 90 prior to the end of such term. [Retailer name] will provide 120 days written notice of the terms and conditions of the renewal. The customer will have 30 days from the receipt of the renewal notice to cancel the agreement or accept an alternative arrangement.

My agent is authorized to enter into agreements with [Distributor Name] and other third parties relating to gas supply, volume load balancing, transportation, purchasing, and billing on my behalf as though I had entered into the agreements myself. This Agreement is the entire agreement between the parties and shall not be amended unless done so in writing by [Retailer Name] and agree to by the Customer. To allow the greatest flexibility for my Agent, this authority includes negotiating, committing to, amending or terminating all aspects of such agreements.

[Distributor Name] is entitled to rely upon anything done, or any document signed by my Agent relating to the supply, volume load balancing, transportation, delivery, purchasing and billing of natural gas as though I had performed the action or signed the document.

I understand as a gas user I am responsible for the purchase of, and payment in full, of gas delivered to the locations identified and related transportation charges...

The customer shall have the right to rescind this Agreement within ten (10) days of signing the Agreement without liability. The Customer shall deliver a written notice of rescission to [Retailer Name] by personal delivery, registered mail or telephone transmission of a facsimile of the written notice within ten (10) days. This offer is consistent with current market conditions and may be rescinded by [Retailer Name] at any time.

**OHEI interprets the clauses of 7.5, 7.6.3 and 7.6.4 of the Distribution Access Rule to supercede and take precedence over the Notice of Appointment clauses or Authorization to Cease Transfer Request in Retailer or Marker contracts such as those illustrated above.**

**OHEI believes that customer mobility is necessary to create effective and robust competition. Lack of customer mobility denies customers effective choice and the benefits of a true competitive market.**

Billing Options

Section 9.3 provides the various billing options that distributors shall offer marketers. OHEI is in support of all three billing options and wholly supports 9.3.1.2 , Marketer Consolidated Billing which reads:

Marketer Consolidated Billing – the customer shall receive one bill issued by the marketer; the bill shall inform the customer of the amount owing, the date due and the individual components of the bill. A minimum of two components shall be shown on the bill: the billed amount for distribution services and the billed amount for commodity.

Procedure

We understand that the above comments will be made available to the Board for its consideration. We also understand that the Board, pursuant to Sections 45 and 46 of the Act, will engage in a consultation procedure as part of its consideration of the Draft Rule. We look forward to taking part in that procedure.

Regards,



Laura Jurasek  
Manager, Regulatory Affairs  
Ontario Hydro Energy