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BY E-MAIL AND WEB POSTING

April 17, 2015

To: All Participants in Intervenor Framework Consultation
All Other Interested Parties

Re: Representation of Consumer Interests in Ontario Energy Board Proceedings
EB 2015-0159

As previously contemplated, the OEB is resuming our review of whether we should adopt a different model regarding the representation of consumer interests in OEB proceedings.

A first phase of this review was completed almost a year ago. As a result, in 2014, the OEB implemented several procedural and administrative changes to our existing intervenor funding process, strengthening transparency and accountability ([Intervenor Phase 1 Consultation](#)). The OEB is now moving forward with the second phase of the review, as contemplated in the original announcement.

Over the past three years, we have been redefining our approach to energy sector regulation, putting energy consumers at the centre of our regulatory processes. Improving the alignment between customer expectations and utility performance, enriching energy literacy among consumers, and solidifying the trust of energy consumers are key objectives of the OEB. In today's rapidly evolving energy sector, we recognize that while our expectations of consumers are changing, so too are their expectations of the OEB and the utilities we regulate.

We have already put in place some new processes to engage much more broadly and directly with consumers, both in policy and adjudication. We now require that regulated utilities engage with their customers in development of plans and budgets in preparing rate applications. And, we started taking a much more proactive approach, using focus groups, surveys, and online tools to directly solicit consumer perspectives on regulatory policy. Soon, we will be establishing a Consumer Panel to provide an ongoing forum for the OEB to hear consumer views. The OEB and consumers have benefitted from, and

been well served by, active and strong interventions in the past, supported by intervenor funding. Other jurisdictions have adopted different approaches and given the changes in the sector it is timely for the OEB to undertake a review of these alternatives as well as our existing process to ensure that the strongest and most effective mechanisms are in place for consumers.

A number of North American jurisdictions have independent consumer advocates who are part of the regulator or separate government departments. Consumer panels, where the regulator appoints a group of consumers from different sectors to provide input/opinion on applications, are becoming more common in jurisdictions outside North America, like Australia and the United Kingdom. Another model which may not have been widely adopted but brings focus on different consumer interests is the one adopted in Nova Scotia, where the regulator, the Nova Scotia Utilities and Review Board, appoints a consumer advocate for different consumer segments for specific proceedings. The regulator explains that this model was adopted to ensure there is a specific voice in a proceeding to represent the views of the consumer (residential, commercial or industrial) through a specialized and dedicated expert. In all of these approaches there is a requirement for the “representative” to engage with the consumers they represent prior to presenting opinions into the regulatory process. Any of these models, as well as others which may be identified through our research, could complement our existing process, ensuring that consumers have the most effective voice in the regulatory process.

Ensuring effective and transparent consumer representation in OEB processes, aligned with best practice, is the objective of the OEB’s initiative. Our review may result in modifications to our existing intervenor practice or the adoption of a totally new approach. Our intent is to complete our review by the Fall. Details on the timing and process steps will be issued shortly.

If you have any questions regarding this initiative, please contact Intervenorphase2@ontarioenergyboard.ca. The Board’s toll free number is 1-888-632-6273.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary