

Energy Retailer Service Charges

Working Group Meeting #3
October 20, 2017

Recap

- Two working group meetings were held in September.
- This is the third and final meeting scheduled.
 - TBD – whether there is a fourth meeting.
- The working group established a list of topics at the first working group meeting and had a discussion on eight topics at the second working group meeting.
- Meeting #2 summary sent to working group members for comment which are by **October 27, 2017**.
 - Final meeting summaries for meetings #2 and #3 and other meeting materials (agendas, OEB presentations, final topics list) will be posted on the OEB's Review of Miscellaneous Rates and Charge webpage:
 - <https://www.oeb.ca/industry/policy-initiatives-and-consultations/review-miscellaneous-rates-and-charges>

Energy Retailer Service Charges: Electricity Distributors

- “Retail Service Charges” are set out in the 2006 Electricity Distributor Rate (EDR) Handbook.
 - Per the 2006 EDR Handbook, the charges were maintained at the same level in 2006 as when first established when the market opened in 2002.
 - The default charges currently remain the same.
 - To establish these charges, the OEB reviewed practices in other jurisdictions and developed a set of estimates for electricity distributors to charge for retail services with the understanding that the actual costs for providing these services will vary.

Energy Retailer Service Charges: Electricity Distributors

1. Establishing Service Agreements:

- Consists of a fixed one time charge and monthly fixed charge (per retailer) and a monthly variable charge (per customer).
- Intended to cover service agreement related costs.

2. Distributor-Consolidated Billing / Retailer-Consolidated Billing:

- A monthly charge (per customer) intended to recover the incremental costs in providing distributor-consolidated billing.
- A monthly cost credit (per customer) that is paid to retailers that choose retailer-consolidated billing.

3. Service Transaction Requests (STR):

- An STR is specific to an individual customer and charged on a per customer basis.
- Intended to recover the incremental costs of labour, internal information system maintenance costs, and delivery costs.

Energy Retailer Service Charges: Electricity Distributors

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$100.00
Monthly fixed charge, per retailer	\$20.00
Monthly variable charge, per customer, per retailer	\$0.50/customer
Distributor-consolidated billing monthly charge, per customer, per retailer	\$0.30/customer
Retailer-consolidated billing monthly credit, per customer, per retailer	(\$0.30)/customer
Service Transaction Request – Request fee, per request, applied to the requesting party	\$0.25
Service Transaction Request – Processing fee, per request, applied to the requesting party	\$0.50
Request for customer information – up to twice a year there is no charge – for more than twice a year, per request (plus incremental delivery costs)	\$2.00

Energy Retailer Service Charges: Natural Gas Distributors

- Referred to as Direct Purchase Charges.
- Enbridge and Union Gas have similar charges but not identical which differs from the electricity sector.
- There are no OEB established default values.

Energy Retailer Service Charges: Enbridge Gas Distribution Inc.

1. ABC Fees:

- Admin charge billed to ABC pools monthly.
- The calculation for the fees is based on the number of accounts and gas rate. (\$1.05 or \$2.00 or \$5.00 per customer per month).

2. Direct Purchase Admin Charge (DPAC):

- Admin charge billed to pools monthly.
- A base charge per month plus additional charges per count of accounts. (\$75 base charge per month plus \$0.21 per count of accounts per month).

3. Invoice Vendor Adjustment (IVA):

- A per transaction charge.
- Admin charge billed to pools according to number of IVA transactions billed. (\$0.30 per month).

4. Account Look-up Fee:

- A one-time fee.
- Admin charge billed upon request (optional) for Account Look-up Service. (\$2.00 if automated or \$5.00 if manual).

Adjustment Factor (Topic 5) and Implementation (Topic 9)

- If the OEB were to consider an annual adjustment to the charges, should it be:
 - Simple inflation (similar to Hydro Ottawa)
 - I-X Mechanism (Inflation – Productivity plus a Stretch Factor)
 - Other?
- The implementation of a potential new charge for the Notice of Switch Letter:
 - The effective date for the potential new charge.
 - Mechanisms needed in the interim for purpose of cost recovery for the Notice of Switch Letter.