

Energy Retailer Service Charges (EB-2015-0304) Working Group Meeting #3 – Summary

Meeting Date & Time: October 20, 2017 (9:30 am – 12:30 pm)

Location: OEB Office, ADR Room (25th floor)

Attendees:

Electricity Distributors		
1	Guelph Hydro	Krista Perry (by conference line)
2	Hydro Ottawa	April Barrie (by conference line)
3	Veridian Connections	Kyle Brown (by conference line)
Natural Gas Distributors		
4	Enbridge Gas	Rob DiMaria
5	Union Gas	Tom Byng
Energy Retailers		
6	Ag Energy Co-operative	Katie Morrow
7	Just Energy	Frances Murray
8	Summitt Energy	Jeff Donnelly
OEB Staff		Vince Mazzone, Michael Bell, Judy But
Regrets		Martin Benum (London Hydro), Danny Relich (Hydro One), Pascale Duguay (OEB Staff)

Introduction

OEB staff welcomed the working group members and provided an overview of the agenda and objectives of the third and final working group meeting.

Meeting #2 Summary Discussion

OEB staff asked for comments from the working group on the meeting #2 summary. Comments provided during the meeting were incorporated into the meeting summary. OEB staff reminded working group members that additional written comments would be due by October 27, 2017.

OEB Staff Presentation

The first part of the presentation looked at the applicability of energy retailer service charges for electricity and natural gas distributors. The second part of the presentation was focused on two topics from the last working group meeting #2: the Adjustment Factor (Topic 5) and Implementation (Topic 8).

1. Energy Retailer Service Charges – Electricity

The working group discussed the application of each of the eight ‘Retail Service Charges’, as defined in the OEB’s 2006 Electricity Distribution Rate Handbook.

Retail Service Charges can be grouped in the following three categories:

1. Establishing Service Agreements
2. Billing (Distributor-Consolidated or Retailer-Consolidated)
3. Service Transaction Requests

Energy retailers indicated that a review of distributor cost data is essential when considering the quantum of the charges. There was general agreement with how these charges are applied by electricity distributors.

The working group confirmed that all Retail Service Charges apply to OEB-licensed electricity retailers, including those that are licensed as “agent only”, with the exception of the Request for Information Charge. The discussion focused on the applicability of the Request for Customer Information charge; there is no charge for the first two requests but \$2.00 thereafter for every additional request. It was confirmed that all retailer and non-retailer customers are charged this fee.

Energy retailers indicated that any changes to the charges must take into consideration system updates that may be required of the Electronic Business Transactions (EBT) system operator, and the associated costs passed onto customers.

2. Energy Retailer Service Charges – Natural Gas

Unlike electricity distributors, natural gas distributors have different service charges and the application of the charges may also vary. The working group discussed the application of each of the natural gas distributor’s service charges, using Enbridge’s charges as an example. Union’s charges are similar to Enbridge’s charges. The other rate-regulated natural gas distributor, NRG, also has service charges as do the two non-rate regulated distributors (City of Kington and City of Kitchener).

Enbridge’s service charges can be grouped in the following four categories:

1. Agency Billing and Collection
2. Direct Purchase Administration
3. Invoice Vender Adjustment
4. Account Look-up

The natural gas distributors did not prefer standardization of retail service charges owing to the need to recognize the differences in costs between electricity and natural gas distributors.

3. Annual Adjustment Factor and Implementation

OEB staff led a discussion on two topics from the last working group meeting #2: the Adjustment Factor and Implementation.

The working group members generally agreed that the need for an adjustment was more timely and appropriate for electricity distributors at this time. For electricity distributors, this would prevent the charges from remaining static as is currently the case. Conversely, for natural gas distributors, the charges have been updated on a more frequent basis in cost of service applications and may not require annual updating.

Conclusion

OEB staff indicated that a conference call will be scheduled in November to review the costs provided by distributors and enable further discussion on the data underpinning the charges. OEB staff agreed to share the data submitted prior to the conference call for review by the working group.