

## Briefing Note

### **Brantford Power seeks alternative on-bill messaging authorized by the Minister**

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#### **Issue:**

Brantford Power Inc. (BPI) has requested the Minister's authorization to delay implementation of the dynamic OFHP savings message until the first quarter of 2019, as it is in the middle of a CIS conversion project.

In its place, BPI proposed to use the static OFHP on-bill message "Ontario's Fair Hydro Plan substantially lowers electricity for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills."

#### **Context:**

- As of January 1, 2018, s. 1 of O. Reg. 196/17 (Invoicing Requirements) made under *Ontario's Fair Hydro Plan Act*, 2017, requires electricity vendors and unit sub-meter providers (USMPs) to include the following statement on English and French invoices, respectively, in a location where conservation or other utility messages to consumers are usually placed.

#### English on-bill message:

Ontario's Fair Hydro Plan saved you [*insert specified amount*] on your bill. This includes the 8% Provincial Rebate.

#### French on-bill message:

Le Plan ontarien pour des frais d'électricité équitables vous a fait économiser [*montant précisé à insérer*] sur votre facture. Ce montant inclut la remise provinciale de 8 %.

- The methodology for calculating the "specified amount" is outlined in section 1.2 and 1.3. and includes:
  - Savings related to the re-financing of the Global Adjustment, including savings in the Delivery line associated with line losses.
  - Savings from the Distribution Rate Protection program and the First Nations Delivery Credit (inapplicable to Alectra)
  - Savings from the shifting of costs of social programs to the taxbase.
  - The 8% provincial rebate
  - Any reduction in HST payments as a result of overall lowered bills.
- Under s. 3 of O. Reg. 197/16, electricity vendors and USMPs can seek an alternative to the wording and/or invoicing process required by the regulation by submitting a written request to the Minister, outlining the technical and/or operational reasons why they are unable to comply with the specified requirements, and outlining a proposed alternative.

- If the Minister is satisfied that it would be impossible, impractical or unreasonably difficult for an electricity vendor or USMP to use the specified wording, or to follow an invoicing process required by the regulation, the Minister can provide different wording or an alternative invoicing process for the vendor or USMP to follow via written notice.
- If the electricity vendor or USMP receives written notice from the Minister (via a letter), per s. 3(2), they are required to use the wording or follow the invoicing process specified in the letter instead of the wording or invoicing process stated in the regulation.

#### **Request from Brantford Power:**

- On January 17, 2018, BPI submitted a letter to the Ministry seeking accommodation for technical and operational reasons for the new dynamic messaging requirements:
- Section 3 of O. Reg 196/17 allows the Minister, for technical or operational reasons, to approve an alternative approach or wording that promotes the purposes of the requirement.
- BPI is seeking to delay the implementation of the dynamic OFHP messaging until Q2 of 2019, and use the current static message until they are able implement the new requirements.
- The rationale for the delay is that BPI is currently in the process of modernizing its customer information systems (CIS), which includes the implementation of a new CIS.
- BPI has planned its IT resources for 2018 to ensure a smooth and timely roll-out of the new CIS project. The IT resources needed to implement the dynamic OFHP savings, required under O. Reg. 196/17, are substantial and would risk the implementation of the CIS project if implemented on a simultaneous timeline.
- Delaying the new CIS implementation would defer customer benefits, as well as add additional costs to the project.

#### **Proposed Direction:**

- BPI has indicated that this accommodation is necessary to successfully transition to a new CIS, that was planned prior to the new regulatory requirements.
- BPI notes that the new CIS project demands significant IT resources and could not be carried out in parallel with implementing the new requirements under O. Reg. 197/17 without compromising its implementation schedule, as BPI's IT resources are fully deployed on CIS project and regular operations.

- Accepting BPI's contention that implementing the new regulatory requirements would be "impractical and unreasonably difficult", without technical knowledge to assess BPI's internal IT resourcing issues, staff propose granting BPIs request to use previous static OFHP messaging until Q2, 2019, when it will come into full compliance with the regulatory requirements.

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