



PUBLIC INTEREST ADVOCACY CENTRE  
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November 21, 2017

Hon. Glenn Thibeault, Minister of Energy  
Government of Ontario  
4th Floor, Hearst Block  
900 Bay Street  
Toronto, Ontario M7A 2E1

BY E-MAIL to:

[gthibeault.mpp.co@liberal.ola.org](mailto:gthibeault.mpp.co@liberal.ola.org) and [energy@ontario.ca](mailto:energy@ontario.ca)

Dear Minister Thibeault,

**Re: Ontario Energy Board Proposal to Reduce Consumer Group Participation**

We are writing to you on behalf of the Vulnerable Energy Consumers Coalition (VECC) to express VECC's serious concerns regarding recent changes proposed by the Ontario Energy Board (OEB) which would result in less consumer group participation and scrutiny of residential hydro rate applications.

VECC is an unincorporated coalition formed in 1999 of two major Ontario organizations: the Ontario Society of Senior Citizens' Organizations and the Federation of Metro Tenants' Associations. VECC was formed with the intent of representing the interests of residential consumers in matters of energy regulation and policy where those consumers, by reason of age, income, tenure or place of residence, language, literacy, or other infirmity may experience greater hardship than other residential consumers as a result of increased rates or policies that place demands on customers. These same consumers may have difficulty, or lack the resources to ensure that their voice is heard by regulators and policy makers deciding upon energy issues.

VECC has intervened in hundreds of OEB hearings since the date of its formation, and shares in the credit for the efficacy of the intervenor participation process in affecting decisions that have advanced the public interest and resulted in reductions in utility demands and just and reasonable rates.

At present, the OEB seeks public input into its processes in two manners. First, the OEB often requires utilities to host a local community meeting where that utility presents its rate application. Second, public input is offered in formal OEB hearings at which intervenors, such as VECC, represent consumer and customer groups. The community meetings are less formal: the utility presents its application with no opposing technical views expressed and the general public tends to comment at a fairly high level. However, both processes are complementary: the public meeting is a gauge of public sentiment and its strength; the Board's formal hearing is an adversarial, professional and quasi-judicial examination of the regulatory requirements for the application.

However, in a recent presentation to energy customer stakeholders, the OEB announced a proposal to revise its formal public hearing process model for reviewing utility applications. While claiming that this was intended to "streamline" the regulatory process, these changes will also have a significant impact on: (1) the transparency of the OEB's rate-setting process, and (2) the ability for consumer groups and other intervenors to effectively vet utility applications.

The OEB's proposal will allow the Board to effectively exclude consumer group intervenors from the review of a utility application by eliminating the need for a hearing process in certain cases, and prohibiting intervenors from applying for full costs awards in three of the four category scenarios which the Board has established.

The OEB's move to proactively limit the formal hearing process for a rate application in advance will have serious consequences on the transparency of the rate setting process during a time when residential customers in Ontario are most concerned about and sensitive to any increase in energy rates proposed by a utility. This process places additional power in the hands of the OEB and its staff to in effect pre-determine important aspects of the outcome of an application (by predetermining its relative importance and impact) before receiving any feedback from consumer groups and other energy customer stakeholders. It also shields utilities from any public scrutiny of many of their proposals. Meanwhile, regulators and administrative tribunals are expected to render decisions in a transparent and public manner in public proceedings, not behind closed doors.

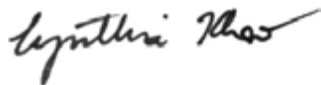
Second, by prohibiting any intervenor costs awards in two of the OEB's proposed case categories, and pre-selecting the types of issues which are eligible for costs in another category, the OEB's new process will effectively curtail consumer group participation before OEB proceedings. The implications of such a proposal are important. The intervenor costs awards process is always fragile and at risk – particularly for vulnerable consumers and members of the VECC coalition, which would never have the resources to retain legal representatives and consultants with experience in energy regulation. Yet, any rate increases will have a disproportionately harmful impact on low-income and vulnerable consumers, who are often already incredibly price sensitive, in particular. Meanwhile,

utilities remain at liberty to retain national, full-service firm lawyers and experts to defend their interests and applications – at their ratepayers’ expense.

In a regulated sector, effective and informed public participation and scrutiny of applications are part and parcel of providing a service that citizens and customers need and cannot do without. It has long been determined that intervenor participation, in addition to community meetings and general public feedback, is necessary in order to provide meaningful and informed scrutiny of a utility’s application. Undermining this public process in the name of “efficiency” highlights a focus on potential, short-term advantages at the expense of long-term, irreversible consequences on both rates and an effective, inclusive decision-making process. These consequences will, above all, be borne by Ontarians.

We therefore urge you to discuss with the responsible parties at the Ontario Energy Board the effect of this supposedly “administrative” change and its effect upon the public interest.

Yours truly,



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Counsel to VECC



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Counsel to VECC

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**cc:** Premier Kathleen Wynne  
Rosemarie Leclair, OEB Chair & Chief Executive Officer  
Federation of Metro Tenants’ Associations  
Ontario Society of Senior Citizens’ Organizations