



Advocacy Centre for Tenants Ontario
Centre ontarien de défense des droits des locataires

July 11, 2005

Via FAX and mail

Mr. John Zych
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2601
Toronto, ON M4P 1E4

Dear Mr. Zych,

Re: Cost Allocation Review (EB-2005-0317)

As requested in your letter of June 24, 2005 regarding the above noted matter, I am writing on behalf of the Low-Income Energy Network to inform you that we wish to participate in this process.

i. Interests represented by the Low-Income Energy Network (LIEN)

The Low-Income Energy Network's (LIEN) mission is to ensure universal access to adequate energy as a basic necessity, while minimizing the impacts on health and on the local and global environment of meeting the essential energy and conservation needs of all Ontarians. LIEN promotes programs and policies which tackle the problems of energy poverty and homelessness, reduce Ontario's contribution to smog and climate change, and promote a healthy economy through renewable and energy efficient technologies.

LIEN has 50 members from a broad range of organizations from across Ontario including: energy, public health, legal, tenant/housing, education and social and community organizations. LIEN is managed by an Interim Steering Committee of the following members: the Advocacy Centre for Tenants Ontario (ACTO), Canadian Environmental Law Association (CELA), Income Security Advocacy Centre (ISAC), Share the Warmth (STW), Toronto Disaster Relief Committee (TDRC), Centre for Equality Rights in Accommodation (CERA) and Toronto Environmental Alliance (TEA).

LIEN was formed to raise public awareness of implications for low-income households from the April 2004 electricity price rise in Ontario and to suggest

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The Tenant Duty Counsel Program is a project of ACTO

solutions to aid low-income consumers. LIEN members have led a number of projects addressing low-income energy issues.

In November 2003, the Canadian Environmental Law Association was a Listed Stakeholder Organization, and provided a written submission, to the Ontario Energy Board consultation process on demand side management and demand response. CELA's submission indicated that there is a need for low-income DSM programs in Ontario and that there is an opportunity to learn from other jurisdictions with experience with low-income DSM programs.

In April 2004, LIEN members commissioned a report, at the request of the Minister of Energy, to develop recommendations on how the government could help low-income households cope with the rise in electricity prices. This report provides recommendations for an overall model of low-income energy programs and suggests principles that the government of should follow when developing a low-income conservation and assistance strategy.

LIEN, with the support of the Ministry of Energy and the Toronto Atmospheric Fund, developed a set of ready-to-implement energy conservation programs for local distribution companies that will address the particular needs of low-income consumers for the 2005 heating season. LIEN's report, titled ***Designing a low-income energy efficiency program: Recommendations for Toronto Hydro and other electricity local distribution companies***, was submitted by the Vulnerable Energy Consumers' Coalition (VECC) in a number of the OEB's hearings on C &DM plans. Informed by the LIEN report, the OEB recommended that utilities voluntarily investigate possible initiatives to assist low-income consumers.

LIEN, with intervenor funding, participated in the OEB's development of the Regulated Price Plan, making oral and written submissions on behalf of low-income consumers with respect to: seasonal tiered pricing mechanism, equal billing, notification, peak/off-peak pricing, security deposits, disconnection and rate assistance.

LIEN, represented by the Advocacy Centre for Tenants Ontario, is participating in the OEB's hearing on electrical sub-metering.

ii. Issues of specific concern to LIEN in this matter

LIEN intends to participate fully in this proceeding, including submitting evidence and making submissions.

Our over-arching concern is to ensure that cost allocation and rate design are done in a manner that is fair to people with low incomes and supports the ability of people with low incomes to conserve.

In particular, we are concerned with the following issues:

- Proper cost allocation for CDM to ensure low-income residential consumers are treated fairly and that cost allocation principles and methodologies adopted by the Ontario Energy Board encourage Conservation & Demand Management for these customers.
- If there are separate rates for embedded distributors and embedded distributors are found to include sub-meterers, LIEN wants to ensure the rates are fair to tenants, many of whom are low-income.
- Balance between fixed and variable rates. Fixed rates have a regressive impact on tenants with low incomes and do not support conservation.
- Seasonal rates, time-of-use distribution rates and their impact on low-income consumers and their ability to conserve.

iii. Coordination

The LIEN will contact the Vulnerable Energy Consumers' Coalition to determine areas of agreement to reduce overlap before the OEB.

iv. Participation costs

ACTO will be requesting funding or its costs of this intervention, including funds to cover the costs of experts, and asks that it be found eligible to receive funding and costs.

Sincerely,
LIEN interim steering committee

Julia McNally, LLM
Program Director, TDCP
Advocacy Centre for Tenants Ontario
