

Hydro One Networks Inc.
Regulatory Affairs
13th Floor, North Tower
483 Bay Street
Toronto, ON, M5G 2P5
Tel. 416-345-5419
Fax 416-345-5866
brian.gabel@HydroOne.com



BY COURIER

June 20, 2001

Mr. Paul Pudge
Secretary
Ontario Energy Board
Suite 2601, 2300 Yonge Street,
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Mr. Pudge:

RP 2000-0001 – Hydro One Networks Comment on the Proposed Gas Distribution Access Rule

On May 10, 2001, the Board issued a letter to all parties who commented on either the “Proposed Gas Distribution Access Rule” (issued February 6, 2001) or the OEB staff “Draft Gas Distributor Access Rule” (issued September 25, 2000). In its letter, the OEB stated that the proposed Gas Distribution Access Rule (GDAR) establishes principles to standardize the conduct of business between gas distributors and marketers and distributors and customers.

Hydro One Networks ("Networks") has been following the GDAR process and the submissions filed with the Board. The key issue for Networks is symmetric regulatory treatment in the electricity and natural gas sectors.

Symmetry between electricity and gas regulation has been a major fundamental behind the design of the Energy Competition Act. The Board is on record as having supported this principle and many other key participants including several now participating in the GDAR process have also expressed similar support.

The GDAR is one such new rule that the Board has proposed. Hydro One Networks strongly agrees with the Board that – as much as possible – there should be equivalency in the regulatory treatment accorded to both electricity and gas. Networks believes, in the context of the GDAR, that the principle of symmetry is particularly important in respect of the billing options that distribution utilities (electricity or gas) are required to make available to customers.

In the electricity sector, the Retail Settlement Code (RSC) indicates that electricity distribution utilities must have the ability to offer three billing options to customers; distributor consolidated billing, retailer consolidated billing, and split billing (section 7 – Settlement and Billing Options). The GDAR is proposing the same options, although the retailer consolidated billing option is called “gas vendor consolidated billing”.

Alteration of the proposed GDAR to eliminate the option of gas vendor consolidated billing (GVCB) in the gas sector will put Networks at a disadvantage since the RSC requires electricity distributors to accommodate retailer consolidated billing. In this case, the gas distribution utilities will have an unfair advantage over their electric counterparts insofar as they will continue to have an ongoing relationship with their customers, while Networks will not for those customers who sign up with retailers planning to offer consolidated billing.

Hydro One Networks believes it is important to facilitate a smooth transition to a competitive energy marketplace. Providing clear and consistent rules should minimize customer confusion in the evolution toward this goal.

Yours truly,

Brian Gabel
Vice-President
Regulatory Affairs

c. RP-2000-0001 Oral Consultation Presenters