



Regulated Price Plan

Initial Consultation Issues and Key Dates

September 10, 2004

Project Overview

- To develop a Regulated Price Plan (RPP) to replace the current “two-tier” price mechanism for designated consumers by April 2005.
- Attributes
 - Stable and predictable framework
 - Consumers pay true cost of electricity over time
 - Supports conservation and “smart meters”
- Module 1 – forecasts of Ontario spot prices
- Module 2 – development of RPP and related Code

Key Dates for Module 2

Activity/Stakeholder Input	Time Frame
Methodology(ies)-Strawman/Working Group	Sept-Oct 04
Strawman finalized/Workshops	mid-Oct 04
Development of Regulated Price Plan Code (the "RPPC")/Workshops-Information Sessions	Nov-Dec 04
Finalize RPPC/Notice and Comment	early Feb 05
Dry runs and operational tests conducted/Settlements and IT tests	Jan - April 2005
Post-implementation monitoring	through 2005

Regulated Price Plan – Major Issues

Policy Context	stable, predictable, with consumers paying the full cost of electricity over time and supportive of conservation and smart meters
Hybrid Market	“price blending” of numerous generator prices and quantities at the wholesale level to construct a retail pricing plan that collects the required revenues from consumers
RPP Eligibility	policy decision for the initial categories but load migration/stability must be addressed through penalties or definitions
Variance Account	tracking the variance account balance arising from the difference between forecast and actual market prices is a key activity; decision rules will be required for true-ups and when and how to liquidate balances
Price Shaping	minimum requirement is peak and off-peak; may include more detailed price shaping and different profiles for appropriate customers (business, smart metered)