

*Proposed New Standard Supply Service Code
January 17, 2005*

Ontario Energy Board

Standard Supply Service Code

for

Electricity Distributors

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1. GENERAL AND ADMINISTRATIVE PROVISIONS

1.1 Purpose of this Code

- 1.1.1 This Code establishes the manner in which a distributor must provide standard supply service to meet its obligation to sell electricity under section 29 of the Electricity Act.
- 1.1.2 This Code provides for three regimes applicable to the commodity price for electricity provided as standard supply service:
- (a) spot market-based pricing for non-RPP consumers and electing spot consumers (section 3.2);
 - (b) the Board's regulated price plan contemplated in sections 78(3.1) to 78(3.5) of the Act for RPP consumers with conventional meters (section 3.3); and
 - (c) the Board's regulated price plan contemplated in sections 78(3.1) to 78(3.5) of the Act for RPP consumers with eligible time-of-use meters (section 3.4).

1.2 Definitions

- 1.2.1 In this Code, unless the context otherwise requires:

"Accounting Procedures Handbook" means the document approved by the Board that sets out principles, requirements, procedures and practices for preparing and maintaining electric utility accounting records and financial information;

"Act" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"Board" means the Ontario Energy Board;

"business day" means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario;

"Code" means this Standard Supply Service Code;

"consumer-specific information" means information relating to a specific consumer obtained by any person through the process of selling or offering to sell electricity to the consumer, and includes information obtained without the

consent of such consumer;

“conventional meter” means a meter other than an interval meter or an eligible time-of-use meter;

“electing spot consumer” means a consumer that is, in accordance with the regulations, eligible to pay the commodity price for electricity referred to in section 3.3 or 3.4 but that has elected to pay the commodity price for electricity referred to in section 3.2.2;

“Electricity Distribution Rate Handbook” means the document approved by the Board that sets out the methodology for calculating rates and other charges for electrical distribution service;

“Electricity Act” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“eligible time-of-use meter” means a meter that measures and records electricity use during each of the periods of the day referred to in section 3.4.1 cumulatively over a meter reading period;

“final variance settlement amount” means the amount charged or credited to an RPP consumer in accordance with section 3.7;

“first term commencement date” means April 1, 2005 or such later date as may be prescribed by regulation as the date on which rates fixed or approved by the Board under section 78(3.1) of the Act take effect;

“IESO” means the Independent Electricity System Operator continued under the Electricity Act;

“interval meter” means a meter that measures and records electricity use on at least an hourly basis;

“non-RPP consumer” means a consumer that is not an RPP consumer;

“regulation” means a regulation made under the Act or the Electricity Act;

“Retail Settlement Code” means the code issued by the Board which, among other things, establishes a distributor’s obligations and responsibilities associated with financial settlement among retailers and customers and provides for tracking and facilitating customer transfers among competitive retailers;

“RPP consumer” means a consumer that pays the commodity price for electricity

referred to in section 3.3 or 3.4 of this Code;

“RPP Manual” means the document adopted by the Board which sets out the manner in which the Board will determine prices and other matters for the purposes of or in relation to sections 3.3 to 3.7;

“second term commencement date” means the date on which a change in the initial value of any of $RPCM_{T1}$, $RPCM_{T2}$, $RPEM_{OFF}$, $RPEM_{MID}$, or $RPEM_{ON}$ referred to in section 3.3 or 3.4 comes into effect, which date shall not be earlier than the date that is twelve months from the first term commencement date;

"spot market price" means, for a given hour, the Hourly Ontario Energy Price established by the IESO for that hour and any adjustment made by the IESO in accordance with regulations made under section 25.33 of the Electricity Act;

“standard supply service” means the manner in which a distributor must fulfill its obligation to sell electricity under section 29 of the Electricity Act as set out in this Code;

“standard supply service customer” means a person to whom a distributor provides standard supply service; and

“third party” with respect to a distributor, means any person other than the distributor.

1.3 Interpretation

1.3.1 Unless otherwise defined in this Code, words and phrases shall have the meanings ascribed to them in the Act or the Electricity Act, as the case may be. Where a word or phrase is defined in this Code, the Act or the Electricity Act, other parts of speech and grammatical forms of the word or phrase have a corresponding meaning. Headings are for convenience only and shall not affect the interpretation of this Code. Words importing the singular include the plural and vice versa. Words importing a gender include any gender. Words importing a person include: (i) an individual; (ii) a company, sole proprietorship, partnership, trust, joint venture, association, corporation or other private or public body corporate; and (iii) any government, government agency or body, regulatory agency or body or other body politic or collegiate. A reference to a person includes that person's successors and permitted assigns. A reference to a body, whether statutory or not, that ceases to exist or whose functions are transferred to another body is a reference to the body that replaces it or that substantially succeeds to its powers or functions. A reference to a document (including a

statutory instrument) or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision of that document. The expression "including" means including without limitation.

- 1.3.2 If the time for doing any act or omitting to do any act under this Code expires on a day that is not a business day, the act may be done or may be omitted to be done on the next day that is a business day.

1.4 To Whom this Code Applies

- 1.4.1 Except to the extent provided in a distributor's licence, another code issued by the Board or an order of the Board, this Code applies to all licensed distributors.

1.5 Hierarchy of Codes

- 1.5.1 The order of hierarchy of codes, subject to any specific conditions of a distributor's licence, is as follows:

1. Affiliate Relationships Code for Electricity Distributors and Transmitters
2. Distribution System Code
3. Retail Settlement Code
4. Standard Supply Service Code

1.6 Coming into Force

- 1.6.1 This Code shall come into effect as of the first term commencement date and as of that date replaces the Standard Supply Service Code for Electricity Distributors issued by the Board on December 8, 1999.

1.7 Application of Standard Supply Service Prices

- 1.7.1 This Code applies with respect to electricity used on and after the first term commencement date.

- 1.7.2 Where, in accordance with regulations made under the Act, an RPP consumer ceases to be eligible to pay the commodity price for electricity under section 3.3 or 3.4 but remains a standard supply service customer, the distributor shall charge that person the commodity price for electricity determined in accordance with section 3.2 for electricity used by that person on and after the day on which that person becomes a non-RPP consumer.

1.7.3 Where, in relation to an RPP consumer, the Board changes:

- (a) the value of any of $RPCM_{T1}$, $RPCM_{T2}$, $RPEM_{OFF}$, $RPEM_{MID}$, or $RPEM_{ON}$ referred to in section 3.3 or 3.4;
- (b) a tier threshold referred to in section 3.3.2; or
- (c) the hours of the day comprising any of the periods referred to in section 3.4.2(c),

the distributor shall charge that RPP consumer the commodity price for electricity that reflects that change for electricity used by that person on and after the day on which the change comes into effect.

1.7.4 For the purposes of determining the volume of electricity used by a standard supply service customer on and after the day referred to in section 1.7.1, 1.7.2 or 1.7.3, if the distributor's billing period includes that day, the distributor may reasonably estimate the volume of electricity used by that standard supply service customer during the billing period that is to be allocated to the portion of the billing period before that day and the volume of electricity to be allocated to the portion of the billing period that is on and after that day.

1.7.5 A distributor shall allocate total losses (as defined in the Retail Settlement Code) to a standard supply service customer in accordance with the Retail Settlement Code or the distributor's rate order, as applicable.

2. STANDARDS OF BUSINESS PRACTICE AND CONDUCT

2.1 Standard Supply Service Customers

2.1.1 In accordance with section 29 of the Electricity Act, with its licence and with the requirements of the Retail Settlement Code, a distributor shall provide standard supply service to any person connected to the distributor's distribution system:

- (a) who has not advised the distributor in writing that such person does not wish to purchase electricity from the distributor;
- (b) who requests the distributor in writing to sell electricity to such person; or
- (c) whose retailer is unable for any reason to sell electricity to such person.

- 2.1.2 In accordance with section 29 of the Electricity Act, and in accordance with the requirements of the Retail Settlement Code, a distributor shall discontinue standard supply service to a person who is connected to the distributor's distribution system if:
- (a) the person or a retailer acting on behalf of the person informs the distributor in writing that the person wishes to purchase electricity from the retailer; and
 - (b) the person or the retailer acting on behalf of the person provides the distributor with the following information:
 - i. the date after which the retailer is prepared to provide service to the person, subject to the final meter reading date; and
 - ii. other information necessary for implementing a change in service that may be required under the Retail Settlement Code or by the Board.
- 2.1.3 In accordance with section 29 of the Electricity Act, and in accordance with the requirements of the Retail Settlement Code, a distributor shall begin to provide standard supply service to a person who is connected to the distributor's distribution system and purchases electricity from a retailer if:
- (a) the person or the retailer acting on behalf of the person informs the distributor in writing that the person wishes to purchase electricity from the distributor;
 - (b) the person or the retailer acting on behalf of the person informs the distributor that the retailer is unable to sell electricity to the person; and
 - (c) the person or the retailer acting on behalf of the person provides the distributor with the following information:
 - i. the date after which service will no longer be provided by the retailer, subject to the final meter reading date; and
 - ii. other information necessary for implementing a change in service that may be required under the Retail Settlement Code or by the Board.

2.1.4 If a request under section 2.1.2 or 2.1.3 is made to a distributor directly by the person, the distributor shall notify such person's retailer in writing of the request within ten (10) days of the request.

2.1.5 Nothing in this section 2 shall affect the obligation of a distributor to provide standard supply service to a transitional consumer (as defined in the Retail Settlement Code).

2.2 Fulfillment of the Standard Supply Service Obligation

2.2.1 A distributor shall provide standard supply service for one hundred per cent (100%) of the electricity used by a standard supply service customer.

2.2.2 A distributor shall obtain the electricity required to fulfill its standard supply service obligation through the IESO-administered markets, or from an embedded retail generator (as defined in the Retail Settlement Code) in accordance with the Retail Settlement Code.

2.3 Separation of Accounts

2.3.1 A distributor shall maintain separate accounts for expenditures related to its standard supply service obligation, and shall do so in accordance with the Distribution System Code and the Accounting Procedures Handbook.

2.4 Confidentiality of Information

2.4.1 A distributor shall maintain the confidentiality of consumer-specific information in accordance with its licence.

2.5 Credit Risk Mitigation Measures

2.5.1 A distributor may mitigate the risk of non-payment from standard supply service customers in accordance with the Distribution System Code.

2.5.2 A distributor may disconnect a standard supply service customer for non-payment of standard supply service in accordance with section 31 of the Electricity Act and the Distribution System Code.

2.6 Billing

2.6.1 A distributor shall ensure that bills submitted to standard supply service customers comply with the Act, the regulations, this Code, any other codes

issued by the Board and any order of the Board.

- 2.6.2 A distributor may offer an equal billing plan option (or some equivalent form of levelized or budget billing) to all standard supply service customers.
- 2.6.3 Except as may be permitted or directed by the Board, a distributor shall not include on or with a bill submitted to a standard supply service customer any marketing information or promotional materials of or relating to a third party and that relate to electricity supply.

2.7 Disclosure to Consumers

- 2.7.1 A distributor shall disclose information to consumers in accordance with applicable law and any standard established by the Board.

3. RATES

3.1 Rates Generally

- 3.1.1 A distributor shall ensure that it charges a standard supply service customer in accordance with its rate order at rates that are approved or fixed by the Board or prescribed by applicable law, and consist of:
 - (a) the commodity price for electricity, determined in accordance with section 3.2, 3.3 or 3.4 (as the case may be);
 - (b) a final variance settlement amount, where applicable, determined in accordance with section 3.7;
 - (c) an administrative charge that allows the distributor to recover its cost of providing standard supply service, determined in accordance with the methodology prescribed in the Electricity Distribution Rate Handbook;
 - (d) such charges or credits as may be set out in the distributor's rate order; and
 - (e) such charges or credits as may be prescribed by applicable law.

3.2 Spot Market Plan for Non-RPP Consumers and Electing Spot Consumers

- 3.2.1 The commodity price for electricity payable by a non-RPP consumer that has a conventional meter shall be the weighted average hourly spot market price, for

the period over which the non-RPP consumer is being billed, determined in accordance with the Retail Settlement Code.

- 3.2.2 The commodity price for electricity payable by a non-RPP consumer or an electing spot consumer that has an interval meter or an eligible time-of-use meter that is capable of providing data on an hourly basis shall be the spot market price determined in accordance with the Retail Settlement Code.
- 3.2.3 A distributor shall charge an electing spot consumer in accordance with section 3.2.2 only upon being requested to do so in writing by the electing spot consumer and only where the electing spot consumer has an interval meter or an eligible time-of-use meter that is capable of providing data on an hourly basis. In such a case, the distributor shall charge the electing spot consumer in accordance with section 3.2.2 for electricity consumed after an actual read of the electing spot consumer's meter.
- 3.2.4 Where a consumer had given written notice to a distributor under section 79.2(2) of the Act and was paying the commodity price for electricity referred to in section 3.2.2 on the day preceding the first term commencement date, that consumer shall be deemed to be an electing spot consumer and shall continue to be charged the commodity price for electricity referred to in section 3.2.2 until such time as the consumer gives notice under section 3.2.4.
- 3.2.5 Where an electing spot consumer that is being charged the commodity price for electricity under section 3.2.2 notifies a distributor in writing that it no longer wishes to be charged in accordance with that section, the distributor shall charge the electing spot consumer in accordance with section 3.4 for electricity consumed after an actual read of the electing spot consumer's meter.

3.3 Regulated Price Plan for RPP Consumers with Conventional Meters

- 3.3.1 The commodity prices for electricity payable by an RPP consumer that has a conventional meter shall be:
 - (a) $RPCM_{T_1}$ /kilowatt hour for electricity used during a billing period up to and including the tier threshold; and
 - (b) $RPCM_{T_2}$ /kilowatt hour for electricity used during a billing period in excess of the tier threshold.

3.3.2 For the purposes of section 3.3.1:

- (a) $RPCM_{T_1}$ (regulated price for conventional meters in tier 1) and $RPCM_{T_2}$ (regulated price for conventional meters in tier 2) shall be monetary values as set by the Board from time to time in accordance with the RPP Manual, provided that no change to the initial values of $RPCM_{T_1}$ and $RPCM_{T_2}$ set by the Board shall come into effect prior to the second term commencement date;
- (b) $RPCM_{T_1}$ shall be no higher than $RPCM_{T_2}$;
- (c) subject to section 3.3.4, the tier threshold for an RPP consumer that falls within the residential class (including by virtue of the application of section 3.3.3) shall:
 - i. until October 31, 2005 be 750 kilowatt hours per month; and
 - ii. thereafter be such other number of kilowatt hours per month as set by the Board from time to time and which may be different for electricity use that occurs in the period November 1 to April 30 and for electricity use that occurs in the period May 1 to October 31; and
- (d) the tier threshold for an RPP consumer that does not fall within the residential class shall initially be 750 kilowatt hours per month or such other number of kilowatt hours per month as the Board may from time to time determine, provided that no change in the initial tier threshold shall have effect prior to the second term commencement date.

3.3.3 For the purposes of section 3.3.2(c), an RPP consumer referred to in section 3.3.4 shall be deemed to fall within the residential class.

3.3.4 The tier threshold for an RPP consumer who has an account with a distributor that:

- (a) relates to a property defined in the *Condominium Act, 1998*, a residential complex as defined in the *Tenant Protection Act, 1997* or a property that includes one or more dwellings and that is owned or leased by a co-operative as defined in the *Co-operative Corporations Act*; and
- (b) relates to more than one unit in the property or complex,

shall be determined by multiplying the number of units to which the account relates in the property or complex by the applicable tier threshold referred to in section 3.3.2(c). The number of units to which an account relates in a property or complex shall be deemed to be one unless a declaration attesting to the number of units and signed by the RPP consumer is or has been received by the distributor.

- 3.3.5 On each bill submitted to an RPP consumer that is being charged the commodity price for electricity under section 3.3.1, a distributor must show as separate items the volume of electricity billed at $RPCM_{T1}$ and the volume of electricity billed at $RPCM_{T2}$.
- 3.3.6 In relation to an RPP consumer that is being charged the commodity price for electricity under section 3.3.1, a distributor whose billing cycle is not monthly may reasonably estimate the volume of electricity used by that RPP consumer that is to be allocated to each month in the distributor's billing period.

3.4 Regulated Price Plan for RPP Consumers with Eligible Time-of-Use Meters

- 3.4.1 Subject to section 3.5, the commodity prices for electricity payable by an RPP consumer that has an eligible time-of-use meter shall be:
- (a) $RPEM_{OFF}$ /kilowatt hour for electricity used during a billing period during the off-peak period;
 - (b) $RPEM_{MID}$ /kilowatt hour for electricity used during a billing period during the mid-peak period; and
 - (c) $RPEM_{ON}$ /per kilowatt hour for electricity used during the billing period during the on-peak period.
- 3.4.2 For the purposes of section 3.4.1:
- (a) $RPEM_{OFF}$ (regulated price for eligible time-of-use meters during off-peak periods), $RPEM_{MID}$ (regulated price for eligible time-of-use meters during mid-peak periods) and $RPEM_{ON}$ (regulated price for eligible time-of-use meters during on-peak periods) shall be monetary values as set by the Board from time to time in accordance with the RPP Manual, provided that no change to the initial values of $RPEM_{OFF}$, $RPEM_{MID}$ and $RPEM_{ON}$ set by the Board shall come into effect prior to the second term commencement date;

- (b) $RPEM_{ON}$ shall be no lower than $RPEM_{MID}$ and $RPEM_{MID}$ shall be no lower than $RPEM_{OFF}$;
- (c) each of the off-peak period, mid-peak period and on-peak period shall mean the period during a day, expressed as running from a specified hour to another specified hour, designated as such by the Board and which may be different for electricity use that occurs in the period May 1 to October 31 and for electricity use that occurs in the period November 1 to April 30.

3.4.3 On each bill submitted to an RPP consumer that is being charged the commodity price for electricity under section 3.4.1, a distributor must show as separate items the volume of electricity billed at $RPEM_{OFF}$, the volume of electricity billed at $RPEM_{MID}$ and the volume of electricity billed at $RPEM_{ON}$.

3.5 Transition for Section 3.4

3.5.1 Until the second term commencement date, the commodity price for electricity payable by an RPP consumer that has an eligible time-of-use meter shall be determined in accordance with section 3.3 unless the distributor elects to implement the electricity commodity pricing mechanism set out in section 3.4 and has given notice of this election in accordance with section 3.5.3.

3.5.2 Where a distributor has made the election referred to in section 3.5.1 and given the notice referred to in section 3.5.3, the distributor shall charge each RPP consumer served that by distributor that has an eligible time-of-use meter the commodity price for electricity determined in accordance with section 3.4 as of the first day of the first billing period that commences after the date on which the eligible time-of-use meter becomes usable for billing purposes.

3.5.3 A distributor that elects to implement the electricity commodity pricing mechanism set out in section 3.4 prior to the second term commencement date shall give advance notice of this election by:

- (a) posting a notice to this effect on its website;
- (b) including an insert containing a notice to this effect with one or more bills submitted to RPP consumers; or
- (c) such other means as may reasonably be expected to bring notice of the election to the attention of RPP consumers within the distributor's licensed service area.

3.5.4 Except as provided in sections 3.5.1, 3.5.2, 3.6.1 and 3.9.1, an RPP consumer that has an eligible time-of-use meter may only be charged the commodity price for electricity under section 3.4.

3.6 Moving from Conventional Meter Regulated Price Plan to Eligible Time-of-Use Meter Regulated Price Plan

3.6.1 Where an eligible time-of-use meter is installed on or after the second term commencement date in relation to an RPP consumer that is then being charged the commodity price for electricity under section 3.3.1, that consumer shall be charged the commodity price for electricity under section 3.4 for electricity used as of the first day of the first billing period that commences after the date on which the eligible time-of-use meter becomes usable for billing purposes.

3.7 Final Variance Settlement Amounts for RPP Consumers Leaving Regulated Price Plan

3.7.1 Where a distributor:

- (a) is advised that an RPP consumer that is being charged a commodity price for electricity in accordance with section 3.3 or 3.4 will be cancelling its account with the distributor and will be moving out of the province of Ontario;
- (b) receives a notice referred to in section 2.1.2 from or in relation to an RPP consumer that was, on the date of the notice, being charged a commodity price for electricity in accordance with section 3.3 or 3.4; or
- (c) receives a request referred to in section 3.2.3 from or in relation to an electing spot consumer that was, on the date of the request, being charged a commodity price for electricity in accordance with section 3.3 or 3.4,

the distributor shall charge or credit the RPP consumer or electing spot consumer a final variance settlement amount calculated on the basis of historical consumption in accordance with the methodology established by the Board in the RPP Manual.

3.7.2 Section 3.7.1 shall not come into effect until the date that is three months after the first term commencement date.

3.8 Notification to RPP Consumers

3.8.1 A distributor shall post on its website notice of any change made by the Board in:

- (a) the value of any of $RPCM_{T1}$, $RPCM_{T2}$, $RPEM_{OFF}$, $RPEM_{MID}$, or $RPEM_{ON}$ referred to in section 3.3 or 3.4;
- (b) a tier threshold referred to in section 3.3.2; or
- (c) the hours of the day comprising any of the periods referred to in section 3.4.2(c).

Such notice shall be posted not less than 15 days prior to the date on which the change will take effect.

3.8.2 A distributor shall:

- (a) as soon as practicable after the first term commencement date if it has not already done so, notify all RPP consumers of the initial values of $RPCM_{T1}$, $RPCM_{T2}$, $RPEM_{OFF}$, $RPEM_{MID}$, or $RPEM_{ON}$ referred to in section 3.3 or 3.4 by means of bill messages or bill inserts; and
- (b) as soon as practicable upon receiving notice from the Board of a change referred to in section 3.8.1, notify all RPP consumers of the change by means of bill messages or bill inserts.

3.8.3 The notices referred to in sections 3.8.1 and 3.8.2 shall be prepared in accordance with the directions, if any, issued by the Board.

3.9 Pilot Projects

3.9.1 Where a distributor has, prior to the first term commencement date, implemented a pilot project relating to eligible time-of-use meters, the distributor may:

- (a) continue to implement the pilot project without making or giving notice of the election referred to in section 3.5.1; and
- (b) charge an RPP consumer that has an eligible time-of-use meter and that is participating in the pilot project the commodity price for electricity referred to in either section 3.3 or 3.4.

3.9.2 Section 3.9.1 shall cease to have effect on the second term commencement date or on such later date as may be specified by the Board. As of that date, the provisions of section 3.4 shall apply to any RPP consumer that has an eligible time-of-use meter.