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NOTICE OF AMENDMENT TO A CODE
AMENDMENTS TO THE STANDARD SUPPLY SERVICE CODE
AND
NOTICE OF PROPOSAL TO AMEND A CODE
PROPOSED AMENDMENT TO THE STANDARD SUPPLY SERVICE CODE
BOARD FILE NO.: RP-2004-0205

**To: All Licensed Electricity Distributors
All Licensed Electricity Retailers
All Participants in Proceeding RP-2004-0205**

RE: Regulated Price Plan

The Ontario Energy Board (the "Board") will amend the Standard Supply Service Code (the "SSS Code") as indicated in section A below, pursuant to section 70.2 of the *Ontario Energy Board Act, 1998* (the "Act"). The Board is also giving notice under section 70.2 of the Act of an additional proposed amendment to the SSS Code, as indicated in section B below.

A. Adoption of Proposed Amendments and Coming Into Force

On February 17, 2006, the Board issued a Notice of Proposal to Amend the SSS Code relating to the Regulated Price Plan ("RPP"). The proposed amendments would:

- extend the period under which RPP time-of-use ("TOU") pricing is voluntary for electricity distributors;
- require distributors to include the terms "off-peak", "mid-peak" and "on-peak" on the electricity bill of consumers paying RPP TOU prices;
- amend the definition of "eligible time-of-use meter" to clarify that it includes interval meters; and
- broaden the scope of situations to which distributors must apply the "final RPP variance settlement".

The Board received six written submissions from retailers and electricity distributors in regard to the proposed changes to the SSS Code. None of the submissions objected to the Board's proposed amendments, although some of the submissions raised questions or concerns relating to implementation of the proposed amendments and one submission raised a new issue associated with the application of the final RPP variance settlement amount.

The Board has considered the submissions received in relation to the proposed amendments, and has determined that no changes need to be made to those amendments. They have therefore been adopted by the Board in the form in which they were originally proposed. The amendments are set out in Appendix A to this Notice. Appendix B to this Notice sets out, for information purposes, comparison versions of the relevant sections of the SSS Code as they are now amended.

As indicated in the Board's February 17, 2006 Notice of Proposal, these amendments will come into force on the date on which they are published on the Board's website.

The submissions received did not raise any issues or concerns regarding the amendment to the definition of "eligible-time-of-use meter" that clarifies that an interval meter qualifies as a smart meter. The Board does wish to provide the following additional information or clarification in relation to certain comments made in the written submissions that it has received in relation to the other amendments to the SSS Code.

1. Mandatory Date for RPP Time-of-Use Pricing

The Board is amending the SSS Code to extend the period under which TOU pricing is voluntary for electricity distributors from the "second term commencement date" to a date to be determined by the Board (referred to as the "mandatory TOU date").

In its Notice of Proposal, the Board indicated that it would provide adequate advance notice of the date fixed as the "mandatory TOU date". Two submissions noted that adequacy of notice may be different for different distributors. One of the submissions urged the Board: (i) to consider six months to be adequate advance notice once all the metering data management systems have been established and tested, and (ii) to ensure that clear and detailed requirements are available to distributors at the time of notification.

The Board does not consider it appropriate, at this time, to define the length of the advance notice required. However, the Board will want to be satisfied that the amount of notice is sufficient for the majority of distributors. Distributors are accordingly invited to file information in this regard with the Board by **June 1, 2006**. The Board expects a detailed explanation supporting the length of advance notice requested.

2. Bill Presentment - TOU Prices

The Board is amending the SSS Code to require electricity distributors to include the terms "off-peak", "mid-peak" and "on-peak" (beside the applicable TOU price) on the electricity bills of consumers being charged on the basis of TOU pricing.

In response to comments made in some of the written submissions, the Board:

- confirms that no associated changes are to be made to the glossary of terms that is required to be included on certain consumer bills under the *Information on Invoices to Low-volume Consumers of Electricity Regulation*, O. Reg. 275/04; and
- acknowledges that advance notice and direction will be required in relation to the incorporation of critical peak pricing (“CPP”) capability in distributor billing, and confirms that this comment will be taken into account as and when the Board has made final decisions on CPP.

3. Final RPP Variance Settlement - Broadening the Scope

The Board is amending the SSS Code to require electricity distributors to also apply the final RPP variance settlement (“RPP Settlement”) amount to consumers that cease to meet RPP eligibility requirements. By virtue of section 1.9.3 of the Retail Settlement Code, this requirement applies equally to retailers that are billing RPP consumers using retailer-consolidated billing.

One submission requested a period of 90 days for implementation of this requirement, as it was suggested there was a need for billing system and business process changes and staff training, and a desire to provide advance notice to relevant customers.

The RPP Settlement mechanism has been in effect since July 2005. This most recent change to the SSS Code only adds a fourth situation in which the RPP Settlement must be applied. Distributors should already be monitoring consumption levels annually to confirm continued eligibility for the RPP. The need for additional staff training as a result of this amendment therefore appears to be minimal. Based on previous discussions that distributors have had with Board staff regarding the RPP Settlement, it is also the understanding of the Board that the RPP Settlement is a manual process for most, if not all, distributors at this time. Accordingly, billing system or business process changes should not be required in most cases. To the extent that certain distributors require additional time for implementation, they may request an exemption that would provide supplementary implementation time. The Board therefore remains of the view that immediate implementation of this amendment is appropriate.

4. Additional Related Comment – TOU Pricing Communications

One submission also identified that significant customer communications activities will be required to introduce TOU pricing as well as to help customers understand the benefits and encourage them to take action to manage and change their electricity use. The submission also requested information on the extent to which the Board will be involved in such consumer education activities.

The Board recognizes the importance of communicating to consumers about TOU pricing and the reasons for it. The Board expects to communicate with consumers about TOU prices, particularly in anticipation of TOU pricing becoming mandatory, in a manner that complements other communications activities taking place regarding the Regulated Price Plan.

B. Additional Proposed Amendment and Invitation to Comment

1. Background

One of the submissions received in response to the Board's February 17, 2006 Notice of Proposal identified an additional issue regarding the application of the RPP Settlement. Specifically, it was noted that when a consumer moves within Ontario from one distributor to another, while on a retail contract, distributors are requiring the consumer to pay a second RPP Settlement amount because the customer must first default to RPP supply (for a short period of time) prior to being returned back to the same retailer. This submission was not specific to the focus of the consultation on the amendments referred to in section A, but the Board acknowledges that the issue raised is an important one.

2. Additional Proposed Amendment

The Board agrees that this is a matter that needs to be addressed. The Board is of the view that such consumers should not have the RPP Settlement applied a second time due to a technical process issue that is beyond the consumer's control. Such a consumer never made a request to be placed on the RPP, and is being defaulted to the RPP for a temporary period as a result of the fact that transfers between distribution service areas cannot presently be effected in a seamless manner.

Several distributors have already contacted Board staff for direction when this issue has arisen in the past. The common response has been to advise these distributors that they should refund the RPP Settlement amount. The Board believes that this matter should be resolved by means of an amendment to the SSS Code rather than being addressed individually on a case-by-case basis.

The Board is therefore proposing to amend the SSS Code to require distributors to refund the RPP Settlement amount where the distributor is advised by a consumer, within a period of three months, that the consumer had an existing retail contract before they moved and are simply remaining on that contract. Distributors would need to confirm with the applicable retailer that the consumer did have such a retail contract. Similarly, where the RPP Settlement amount was a credit to the consumer, the proposed amendment would require the distributor to charge the consumer with an off-setting amount.

If this change to the SSS Code is ultimately adopted as proposed, the Board expects that all retailers will be proactive in communicating to their RPP-eligible customers that, when they move to a new service area, they should contact their new distributor in relation to the RPP Settlement.

The proposed amendment to the SSS Code is set out in Appendix C to this Notice.

The Board has also identified an alternative means to potentially address this issue. The alternative would call for the distributor to delay in applying the RPP Settlement amount for a certain period of time in those cases where a new customer arrives in its service area, so as to allow time for the retail enrolment process to occur.

The Board encourages interested parties to comment on both the approach embodied in the proposed amendment set out in Appendix C and the alternative approach referred to above. It would be of assistance to the Board if interested parties identified their preferred approach, as well as any implementation issues or concerns associated with both approaches.

3. Anticipated Costs and Benefits

Requiring distributors to refund the RPP Settlement in these cases would result in consumers being treated fairly. It was not the intention that consumers be required to pay the RPP Settlement twice, and the proposed amendment would eliminate this unintended consequence of a technical process issue that is beyond the consumer's control. The proposed amendment would also result in consistency throughout the Province in terms of the treatment of customers that have been affected in this manner. This will benefit not only consumers, but also distributors by providing greater certainty and thereby increasing efficiency as there will no longer be a need to seek guidance from the Board on the appropriate means of dealing with this circumstance.

While it is expected that distributors will incur additional administrative costs as a result of being required to refund the RPP Settlement in these cases, the Board does not anticipate that those costs will be significant. Some of these costs are already being incurred on a case-by-case basis. To some extent, these costs may also be offset by virtue of the fact that the need to seek guidance from the Board on the issue and the costs associated with that activity will be eliminated.

4. Coming Into Force

The proposed amendment to the SSS Code referred to in this section B will come into force on the date that the final amendment is published on the Board's website.

5. Invitation to Comment

All interested parties are invited to make written submissions on the Board's proposed amendment to the SSS Code as described in this section B and set out in Appendix C. Any person who wishes to make a written submission with respect to the proposed amendment must file eight (8) paper copies of the submission, and electronic copies in both Word and Adobe Acrobat (PDF), if possible, with the Board Secretary by **4:30 p.m. on April 14, 2006**. Your submission must quote file number **RP-2004-0205** and include your name, address, telephone number and, where available, your e-mail address and fax number.

Written submissions should be sent to:

John Zych
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
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Electronic copies may be submitted on diskette or by e-mail to
boardsec@oeb.gov.on.ca.

This Notice, the accompanying final and proposed amendments to the SSS Code and the written submissions received by the Board in relation to the SSS Code amendments referred to in section A are available on the Board's website at www.oeb.gov.on.ca and at the office of the Board during normal business hours. All written submissions received by the Board in relation to the SSS Code amendments referred to in section B will likewise be made available in the same manner.

If you have any questions regarding this Notice or any of the attached amendments, please contact Chris Cincar at 416-440-7696 or Russell Chute at 416-440-7682. The Board's toll free number is 1-888-632-6273.

E-mail inquiries should be directed to RPP@oeb.gov.on.ca.

DATED at Toronto, March 24, 2006.

ONTARIO ENERGY BOARD

Original signed by

John Zych
Board Secretary

Attachments:

- Appendix A: Amendments to the Standard Supply Service Code
- Appendix B: Sections of the Standard Supply Service Code as Amended
- Appendix C: Additional Proposed Amendment to the Standard Supply Service Code

Appendix A

Amendments to the Standard Supply Service Code

RP-2004-0205

1. Section 1.2.1 of the Standard Supply Service Code is amended by deleting the words “an interval meter or” from the definition of “conventional meter”.
2. Section 1.2.1 of the Standard Supply Service Code is amended by deleting the definition of “eligible time-of-use meter” and replacing it with the following:

“eligible time-of-use meter” means an interval meter or 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;

3. Section 1.2.1 of the Standard Supply Service Code is amended by adding the following immediately after the definition of “interval meter”:

“mandatory TOU date” means the date determined by the Board as the date on which the commodity pricing provisions of section 3.4 become mandatory;

4. Section 3.2.2 of the Standard Supply Service Code is amended by deleting the words “an interval meter or an” and replacing them with “an interval meter or another”.
5. Section 3.2.3 of the Standard Supply Service Code is amended by deleting the words “an interval meter or an” and replacing them with “an interval meter or another”.
6. Sections 3.2.5, 3.2.6, 3.5.1, 3.5.3, 3.6.1, 3.8.4 and 3.9.2 of the Standard Supply Service Code are amended by replacing the phrase “second term commencement date” wherever it appears in those sections with the phrase “mandatory TOU date”.

7. Section 3.4.3 of the Standard Supply Service Code is amended by adding the following to the end of the section:

A distributor must also show, on the applicable separate line, the corresponding term “off-peak”, “mid-peak” or “on peak”.

8. Section 3.7.1 of the Standard Supply Service Code is deleted and replaced with the following:

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;
- (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; or
- (d) determines that an RPP consumer ceases to be eligible to pay the commodity price for electricity determined by the Board under section 79.16 of the Act,

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

Appendix B

Provisions of the Standard Supply Service Code as Amended

RP-2004-0205

The following comparison version of certain provisions of the SSS Code show the amendments made as set out in Appendix A, and are presented by subject-matter.

1. Mandatory Date for Time-of-Use Pricing

1.2.1 In this Code, unless the context otherwise requires:

...

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

“mandatory TOU date” means the date determined by the Board as the date on which the commodity pricing provisions of section 3.4 become mandatory;

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

...

3.2.5 Where, prior to the ~~second term commencement~~ mandatory TOU date, 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:

- (a) if it has made the election referred to in section 3.5.1, 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 by the distributor; or
- (b) in all other cases, charge the electing spot consumer:
 - i. in accordance with section 3.3 for electricity consumed after an actual read of the electing spot consumer’s meter by the distributor until the ~~second term commencement~~ mandatory TOU date; and
 - ii. in accordance with section 3.4 for electricity consumed on and after the ~~second term~~

~~commencement~~ mandatory TOU date.

3.2.6 Where, on or after the ~~second term commencement~~ mandatory TOU date, 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 by the distributor.

3.5.1 Until the ~~second term commencement~~ mandatory TOU 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.

3.5.3 A distributor that elects to implement the electricity commodity pricing mechanism set out in section 3.4 prior to the mandatory TOU date ~~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 at least one bill 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.

Such notice shall be given no less than 30 days prior to the date on which the distributor will commence charging RPP consumers the commodity price for electricity under section 3.4.

3.6.1 Where an eligible time-of-use meter is installed on or after the ~~second term commencement~~ mandatory TOU 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:

- (a) the date on which the eligible time-of-use meter becomes usable for billing purposes;
- (b) 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; or

- (c) any day that is between the date referred to in paragraph (a) and the day referred to in paragraph (b).

3.8.4 Until the mandatory TOU date~~second term commencement date~~, a distributor that has not made the election referred to in section 3.5.1 shall not be required to comply with section 3.8.1 or 3.8.2 in relation to:

- (a) the initial values of RPEM_{OFF}, RPEM_{MID}, or RPEM_{ON} referred to in section 3.4; or
- (b) the hours of the day comprising any of the periods referred to in section 3.4.2(c).

3.9.2 Section 3.9.1 shall cease to have effect on the mandatory TOU date~~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.

2. Bill Presentment - TOU Prices

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}. A distributor must also show, on the applicable separate line, the corresponding term “off-peak”, “mid-peak” or “on peak”.

3. Revised Definition of “Eligible Time-of-Use Meter”

1.2.1 In this Code, unless the context otherwise requires:

...

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

...

“eligible time-of-use meter” means an interval meter or 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;

...

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 another~~ eligible time-of-use meter that is capable of providing data on at least an hourly basis shall be the spot market price determined in accordance with the

Retail Settlement Code, with such adjustment as may be made by the IESO in accordance with the Electricity Act and the regulations.

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~~ another eligible time-of-use meter that is capable of providing data on at least 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 by the distributor.

4. Final RPP Variance Settlement: Broadening the Scope

3.7 Final RPP 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; or
- (d) determines that an RPP consumer ceases to be eligible to pay the commodity price for electricity determined by the Board under section 79.16 of the Act,

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

Appendix C

Additional Proposed Amendment to the Standard Supply Service Code

RP-2004-0205

The Standard Supply Service Code is amended by adding the following new section 3.7.4:

3.7.4 Where a distributor has charged or credited an RPP consumer with a final RPP variance settlement amount under section 3.7.1(b), the distributor shall pay or credit (where the final RPP variance settlement amount was a charge) or charge (where the final RPP variance settlement amount was a credit) the same amount to the consumer if:

- (a) the distributor is notified by or on behalf of the consumer that:
 - i. the consumer was a customer of a retailer identified by the consumer prior to the date on which the consumer's account with the distributor was opened; and
 - ii. the consumer remains a customer of that retailer;
- (b) the notice referred to in paragraph (a) is received by the distributor within three months of the date on which the consumer's account with the distributor was opened; and
- (c) the retailer identified by the consumer has confirmed the information contained in the notice referred to in paragraph (a).