

**Energy Probe's Commentary  
On the Proposed Amendments to the SSS Code to Accommodate  
RPP Variance Settlement, dated May 18, 2005**

**RP-2004-0205**

Energy Probe Research Foundation wishes to comment on the Board's proposed amendments to the SSS Code requiring electricity distributors to add a separate line to the bill, under the "Electricity" sub-heading, for consumers that are subject to the final RPP variance settlement amount.<sup>1</sup> The Board is proposing the additional information only where the final RPP variance settlement amount is to be charged or credited to a consumer – when a customer moves outside of the Province of Ontario, switches to a retailer, or elects the spot market pricing option.

While Energy Probe has concerns about aspects of this proposal, there are aspects we support, including the Board's objectives guiding the proposed approach.

Energy Probe's major concern is that the proposal would introduce an element of surprise into the customer's bill. If the RPP balance only became evident to the customer at the point of departure from RPP, many customers would be unaware of the existence of the variance balance and would react negatively to a negative variance.

Instead of one-time disclosure, Energy Probe recommends that all consumers be presented with a running RPP variance account balance. Keeping the customer informed about their cumulative over (under) payments for electricity will better inform customers about electricity prices, will help inform consumers with respect to alternative purchasing decisions, will enhance transparency, will assist in promoting energy conservation, and will reduce the element of surprise for customers exiting RPP.

The overall disclosure program should balance the benefits of providing relatively straightforward summary information directly on the customer's bill with the need for more detailed RPP pricing information easily accessible to customers. Energy Probe suggests that the OEB post more detailed information in its website regarding the forecast RPP supply and cumulated unexpected variance. This is information applicable to all RPP consumers.

Regarding the final RPP variance settlement amount applicable to consumers who leave the RPP, Energy Probe suggests that the bill should provide the consumer's actual total consumption over the previous 12 months and the applicable per unit adjustment rate.

The OEB might consider posting the following information every month on its website:

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<sup>1</sup> OEB, Notice of Proposal on Bill Presentation and the Final RPP Variance Settlement, May 18, 2005.

Monthly actual cost incurred by consumers with conventional meters that pay RRP

<b>Actual Cost</b>	<b>Actual Cost (\$) (1)</b>	<b>KWh consumed (2)</b>	<b>Actual Cost (\$/kWh) (3)=(1/2)</b>	<b>RPP Price (\$/kWh)</b>	<b>Forecast RPP Supply Cost (\$/kWh)</b>
<b>Lower Tier</b>					
<b>Higher Tier</b>					
<b>Subtotal</b>					

Monthly actual cost incurred by consumers with smart meters that pay RRP.

<b>Day of The Week</b>	<b>Time</b>	<b>Time-of-use</b>	<b>Actual Cost (\$) (1)</b>	<b>KWh consumed (2)</b>	<b>Actual Cost (\$/kWh) (3)=(1/2)</b>	<b>RPP Price (\$/kWh)</b>	<b>Forecast RPP Supply Cost (\$/kWh)</b>
<b>Weekends &amp; Holidays</b>		Off-peak					
<b>Summer Weekdays (May 1st - Oct 31st)</b>	<b>7:00 a.m. to 11:00 a.m.</b>	Mid-peak					
	<b>11:00 a.m. to 5:00 p.m.</b>	On-peak					
	<b>5:00 p.m. to 10:00 p.m.</b>	Mid-peak					
	<b>10:00 p.m. to 7:00 a.m.</b>	Off-peak					
<b>Winter Weekdays (Nov 1st - Apr 30th)</b>	<b>7:00 a.m. to 11:00 a.m.</b>	On-peak					
	<b>11:00 a.m. to 5:00 p.m.</b>	Mid-peak					
	<b>5:00 p.m. to 8:00 p.m.</b>	On-peak					
	<b>8:00 p.m. to 10:00 p.m.</b>	Mid-peak					

	<b>10:00 p.m. to 7:00 a.m.</b>	Off- peak					
<b>Subtotal</b>							

<b>Variance Amounts</b>	<b>\$</b>
Actual RPP Revenue	
Actual RPP Supply Cost	
Expected Variance	
Unexpected Variance	

<b>Variance Amount for Final RPP Settlement</b>	<b>\$</b>
Cumulative Variance Total in the OPA account at the end of the month t for the current RPP term (1)	
Total Consumption from RPP consumers over the 12 month before month t (2)	
Variance Amount for Final RPP Settlement, per kWh (1)/(2)	

Month by month historic information for RPP variance account balances should be provided at a minimum for the period starting with the commencement of the most recent RPP term.

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