

June 23, 2000

Mr. Richard Crouch
Director
Retail Market Ready Project
Hydro One Networks Inc.
140 Allstate Parkway
Markham, Ontario
L3R 5Y8

Ms. Connie Woo
Vice President,
Chief Information Officer
Toronto Hydro
14 Carlton Street
Toronto, Ontario
M5B 1K5

Dear Mr. Crouch and Ms. Woo:

Re: Electronic Business Transaction Standards - RP-1999-0032

This letter is in response to your letter dated May 26, 2000 requesting that the Ontario Energy Board authorize the Draft Electronic Business Transaction (EBT) Standards (the Draft Standards) developed by the EBT Standards Working Group. The authorization of the draft standards would establish the documents as the EBT System anticipated for use in the transfer of information under the approved Retail Settlement Code (the "Code").

Following receipt of the Draft Standards, Board staff posted the documents on the Board's website and sought comments from interested parties. Comments were received from a number of parties. The Board has now considered the Draft Standards and the comments that were received from parties.

The Board is prepared to authorize the Draft Standards to become the EBT Standards for the retail electricity market, and to meet the requirements of the Retail Settlement Code issued February 28, 2000. While the Board has authorized the Standards as proposed it has also determined that only a subset of the Standards will be mandatory for implementation by all distributors for market opening. The mandatory transactions are the following: supplier changes, meter data flows; settlement statements/ invoices by distributors to retailers, and the provision of bill-ready data by retailers to distributors for consolidated billing. The decision to require only a subset of the transactions results from concerns of parties that responded to the consultation that requiring full implementation of the Standards would be costly and impractical given the market opening schedule.

As indicated in the material filed with the Draft Standards there are some provisions of the Standards that would require amendments to the Retail Settlement Code. With respect to the two areas that require Code amendment, the Board considers it necessary to consult on the specific proposed Code amendments. The areas of consultation involve the stacking of supplier service

transaction requests and the combination of the two ten day waiting periods under section 10.5.4 of the Code. The portion of the Standards that is affected by these proposed amendments to the Code will not be authorized at this time. The Board intends to carry out the consultation immediately and would expect to provide a final decision on these matters by mid July, 2000. A copy of the proposed amendments and the consultation letter is enclosed.

Further, the Board in authorizing the Standards recognizes that comments were raised by parties on a number of technical matters as well as editing concerns. The Board expects the Working Group/Advisory Committee and its successor to review the comments through the Standards Change and Version Control Process as provided for below.

With regard to the Standards Change and Version Control Process proposed in the standards, the Working Group, the Board has considered the proposal. An expeditious and efficient change management process is critical to the implementation of the EBT Standards. The Board does not consider it appropriate to be involved in the administration and notification of proposed changes. Given the broad stakeholder representation that is planned for the EBT Standards Work Group, it is the Board's view that the newly created Work Group will be able to fairly and impartially administer the change process. The Board is concerned that the role envisioned for the Board with respect to approving all proposed changes may be more substantive than necessary. Therefore, in the Board's view the process should involve the Work Group in administering the change process and approving/rejecting all requests. The Board would only become involved if a party were dissatisfied with the Work Group's decision. With regard to business process changes, the Board agrees that these matters will likely affect the Code, however, it would be appropriate for the Work Group to review such changes and make recommendations to the Board. Therefore the Board approves a change and version control procedure that is based on the Work Group administering the process and the Board acting only as the arbitrator.

The Board appreciates the effort of the Working Group and the recognizes the importance of the Standards in moving towards an efficient and effective retail electricity market. If you have any questions regarding the Board's decision please contact Brian Hewson, Manager of Energy Licensing at (416) 440-7628.

Yours truly,

Paul B. Pudge
Board Secretary