

**Retail Settlements Code and  
Distribution System Code  
Taskforces:  
MDC Recommendations**

First meeting

April 16, 1999

Ontario Energy Board

# **MDC: KEY MARKET STRUCTURE RECOMMENDATIONS (2d I R)**

The MDC recommended that at the retail level, direct access is to be accomplished by having an LDC send to a retailer the bill for energy (wholesale pool) costs of the retailer's customers.

The MDC recommended that if there is retailer demand for bilateral retail settlements and retailers will pay the costs, LDCs must enter into good faith negotiations with retailers to develop a retail bilateral settlement system.

The MDC recommended that interval meters should not be required for direct access; a load profile would be applied for customers without an interval meter.

## **MDC: Topics Address on Retail Settlement (Final Report)**

The MDC recommended that retail and wholesale settlement should be bifurcated; LDCs would be responsible for retail settlement.

The MDC report contains recommendations on settlement calculations.

# **MDC: Topics Addressed on Retail Settlement (Final Report)**

Load profiles: recommended use of a net system load profile calculated on an LDC by LDC basis (load profile equals the LDC's load profile minus usage from remotely read interval meters).

Processing IMO information: recommended that LDCs translate IMO information into billing determinants based on OEB tariff requirements (hourly MWh into LDC system, ancillary services, hourly peak demand, transmission service prices, IMO admin. charges, GENCO market power rebates).

# **MDC: Topics Addressed on Retail Settlement (Final Report)**

Distribution losses and unaccounted for energy (UFE): Recommended that each LDC develop its own estimates based on an OEB approved method and that wholesale and retail loads connected to an LDC system be subject to the same adjustments.

Three billing options were addressed:

- Retailer bills for all charges (recommend to require)
- Separate billing by LDC and retailer (recommend to require)
- LDC billing for retailer (recommend to make optional).

# **MDC Topics Addressed on Retail Settlement (Final Report)**

Prudential requirements: Recommended that the OEB develop a standardized approach to prudential requirements for retailers that minimize transaction costs (large number of utilities).

Settlement timeline: Recommended that LDCs be allowed to establish their own, but that retailers be subject to the same schedule as their customers.

# **MDC: Topics Addressed on Customer Transfer (Final Report)**

LDC responsibilities as customer registration and transfer agent

Transaction types

Transfer notification procedures

Mandatory information for customer transfer

Consumer protection procedures

Transfer validation process (existing contracts)

Final meter read requirements

Transfer timeline

Transfer process cost recovery

# **MDC: Topics Addressed on Retail Metering (Final Report)**

LDC metering obligations

Technical equipment standards

Rules for meter installations and replacement

Schedule for meter reading

VEE

Exchange of data

Customer access to current usage data

Data storage and maintenance



# **MDC: Topics Addressed on Licenses and Codes and Consumer Education Final Report)**

Connections and Disconnection

Customer Information:

- Proprietary rights
- Information custodians and their fees
- Mechanisms for information release

Consumer Education

Marketing and Selling Practices

Dispute Resolution

Monitoring and Enforcement