

CHAPTER 10

STANDARD SUPPLY SERVICE

10.1 INTRODUCTION

On October 18, 1999, the Board issued its *Decision with Reasons in the Matter of a Proposed Standard Supply Service Code for Electricity Distributors* (the “Decision”) in the proceeding under Board docket RP-1999-0040. The Decision identified a number of implementation requirements, including:

- Detailed methodology for the pricing and procurement of standard supply;
- Specific rules relating to the distributors’ true-ups;
- Administration of the Purchase Power Variance/Deferral Account (“PPVA”);
- Methodology for setting the rate to be charged by third parties delivering standard supply;
- Mechanism to determine that third party SSS rates are just and reasonable; and
- Minimum contract requirements to be imposed by utilities on third party providers.

The purpose of this chapter is to provide guidelines for the pricing of SSS, power procurement options for SSS (direct procurement versus third party), the rules around the set-up and use of the PPVA, and rules for the SSS Standard Administrative charge.

The outline for this chapter is based on the current status of the SSS implementation process which is ongoing at this time. Updates to this chapter will be provided as further progress is made and more definition becomes available.

10.2 PRICING OF SSS

10.2.1 Definition of the 50kW Peak Demand Level

- 10.2.2 Details of the Spot Price Forecast for the Fixed SSS Price for Small Volume Customers**
- 10.2.3 Spot Price Pass-through for Large Volume (>50kW) Customers**
- 10.3 DIRECT PROCUREMENT OF POWER FOR SSS BY DISTRIBUTORS**
- 10.3.1 Calculation and Recording of PPVA Carrying Costs**
- 10.3.2 Interest Rate Used in the Calculation of PPVA Carrying Costs**
- 10.3.3 Trigger Mechanism for PPVA Balance Monitoring**
- 10.3.4 Settlement of PPVA costs on Customer Exit (and Entry)**
- 10.3.5 Mechanics of the True-Up**
- 10.3.6 Clearance of PPVA Account**
- 10.3.7 Roll Forward True-Up versus One-Time Adjustment**
- 10.4 PROCUREMENT OF POWER FOR SSS USING THIRD PARTY SUPPLY**
- 10.4.1 Minimum Contract Features**
- 10.4.2 Requirement for Review of Contract Pricing and Rate Review**

10.4.3 Rate Benchmarking

10.5 SSS SERVICE CHARGES

10.5.1 Calculation of SSS Standard Administrative Charge