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To: Electricity Distribution Utilities and Retailers

**Re: Release of Chapter 11 of the Electricity Distribution Rate Handbook**

Enclosed please find a copy of Chapter 11 of the *Electricity Distribution Rate Handbook* (the "Rate Handbook"). This Chapter provides policies and guidance to distributors with respect to the application of Other Regulated Charges which include Retail Service Charges and Non-competitive Electricity Charges. Retail Settlement Variance Accounts and the Physical Allocation Process are also discussed in the Chapter. A subsequent update to the Chapter will provide the Wholesale Market Service Rate.

The Board will provide the effective date for the Retail Service Charges as set out in Section 11.2 at a later date. The timetable for filing Retail Transmission Service Rates has not been provided at this time. Distributors should prepare the required information in anticipation of filing in March, 2001. Further direction on the filing requirements will be sent out in due course.

It should also be noted that under the provisions of Chapter 11, a distributor who is considered a host distributor under the Retail Settlement Code ("RSC") and a transmission customer under the Board's Decision RP-1999-0044 will be required to file for Retail Transmission Service Rates prior to the filings by embedded distributors within its service territory. Such host distributors will also be required to identify all embedded distributors in their filings.

With respect to upcoming filings, distributors should note that Chapter 3 of the RSC provides that a distributor may require Board approvals for certain loss factors used in calculating settlement costs for competitive electricity services and non-competitive electricity services. Further direction on the timing of this filing requirement will be sent out in due course.

With this release of Chapter 11, the Board believes the Rate Handbook contains sufficient information to allow electricity distributors to implement billing, customer information systems and other distribution functions that are necessary to meet market opening in a timely manner. Should a distributor require further direction in order to meet its requirements, it should contact Suzanne Tong at 416-440-8106 ([tongsu@oeb.gov.on.ca](mailto:tongsu@oeb.gov.on.ca)) or Mark Garner at 416-440-7627 ([garnerma@oeb.gov.on.ca](mailto:garnerma@oeb.gov.on.ca)) at the earliest possible date.

Yours truly,

[signed in the original document]

Paul B. Pudge  
Board Secretary