

**Standard Supply Service Code
for
Electricity Distributors**

ONTARIO ENERGY BOARD

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1. GENERAL AND ADMINISTRATIVE PROVISIONS

1.1 The Purpose of this Code

This Code sets the minimum conditions that a distributor must meet in carrying out its obligation to sell electricity under section 29 of the *Electricity Act 1998*, unless otherwise stated in its distribution licence.

1.2 Definitions

In this Code, unless the context otherwise requires:

“Accounting Procedures Handbook” means the document approved by the Board that sets out principles, requirements, procedures and practices for preparing and maintaining electric utility accounting records and financial information;

“Act” means the *Ontario Energy Board Act, 1998*;

“affiliate”, with respect to a corporation, has the same meaning as in the *Business Corporations Act (Ontario)*;

“Board” means the Ontario Energy Board;

“Code” means this Standard Supply Service Code;

“consumer-specific information” means information relating to a specific consumer obtained by any market participant through the process of selling or offering to sell electricity to the consumer, and includes information obtained without the consent of such consumer;

“Director” means the Director of Licensing appointed by the Board under section 5 of the Act;

“distribute” with respect to electricity, means to convey electricity at voltages of 50 kilovolts or less;

“distribution system” means a system for distributing electricity at voltages of 50 kilovolts or less along with the related facilities and structures, including those facilities

and or systems that operate above 50 kilovolts that the Board has determined, pursuant to section 84 of the *Act*, are part of a distribution system;

“distributor” means a person who owns or operates a distribution system and is licensed as such under Part V of the *Act*;

“energy marketer” means a person who is licensed as a gas marketer under Part IV of the *Act*, or who is licensed as an electricity retailer under Part V of the *Act*;

“Electricity Act” means the *Electricity Act, 1998*;

“IMO” means the Independent Electricity Market Operator established under the *Electricity Act, 1998*;

“load profile” means a methodology for allocating consumer-specific usage measured by a kilowatt-hour meter for a billing period to hourly periods for the purpose of calculating average electricity prices;

“Market Rules” means the rules made under section 32 of the *Electricity Act*;

“Rate Handbook” means the document approved by the Board that sets out the methodology for calculating rates and other charges for electrical distribution service;

“regulation” means a regulation made under the *Act*;

“retail” means:

- (a) to sell or offer to sell electricity to a consumer; or
- (b) to act or as an agent or broker for a retailer with respect to the sale or offering for sale of electricity; or
- (c) to act or offer to act as an agent or broker for a consumer with respect to the sale or offering for sale of electricity;

“retailer” or “electricity retailer” means a person who retails electricity and is licensed as such under Part V of the *Act*;

“spot market” means the IMO-administered wholesale market for electricity;

"spot market price" means the hourly price for electricity in the spot market as determined by the IMO. The price may include IMO settlement charges, charges for transmission and distribution losses, and other costs attributable to wholesale purchases as approved by the Board;

"standard supply service" means the sale of electricity in accordance with the provisions of section 29 of the Electricity Act;

"standard supply service customer" means a customer who is sold electricity under section 29 of the Electricity Act; and

"third party" with respect to a distributor, means a person other than the distributor, including other distributors, energy marketers, affiliates, consumers and other persons.

1.3 Interpretations

Unless otherwise defined in this Code, words and phrases shall have the meanings ascribed to them in the Act or the Electricity Act as the case may be. Headings are for convenience only and shall not affect the interpretation of this Code. Words importing the singular include the plural and vice versa. A reference to a document or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision of that document. An event that is required under this Code to occur on or by a stipulated day which is not a business day may occur on or by the next business day.

1.4 To Whom this Code Applies

This Code applies to all licenced electricity distributors who are obligated to sell electricity under section 29 of the Electricity Act.

1.5 Hierarchy of Codes

The order of hierarchy of Codes, subject to any specific conditions of a distributor's licence, is as follows:

1. Affiliate Relationships Code
2. Distribution System Code
3. Retail Settlement Code
4. Standard Supply Service Code

1.6 Amendments to this Code

This Code may only be amended in accordance with the procedures set out in the distributor's licence.

1.7 Coming into Force

This Code comes into force on the day section 29 of the Electricity Act comes into force.

2. STANDARDS OF BUSINESS PRACTICE AND CONDUCT

2.1 Standard Supply Service Customers

2.1.1 In accordance with section 29 of the Electricity Act, with its licence and with the requirements of the Retail Settlement Code, a distributor shall provide standard supply service to any person connected to a distributor's distribution system:

- (a) who has not advised the distributor in writing that such person does not wish to purchase electricity from the distributor; or
- (b) who requests the distributor in writing to sell electricity to such person; or
- (c) whose retailer is unable for any reason to sell electricity to such person.

2.1.2 In accordance with section 29 of the Electricity Act, and in accordance with the requirements of the Retail Settlement Code, a distributor shall discontinue standard supply service to a person who is connected to the distributor's distribution system if:

- (a) the person or a retailer acting on behalf of the person informs the distributor in writing that the person wishes to purchase electricity from the retailer; and
- (b) the person or the retailer acting on behalf of the person provides the distributor with the following information:
 - the date after which the retailer is prepared to provide service to the person, subject to the final meter reading date;
 - the person's account number with the distributor or address; and
 - other information necessary for implementing a change in service that may be required by the Board.

2.1.3 In accordance with section 29 of the Electricity Act, and in accordance with the requirements of the Retail Settlement Code, a distributor shall begin to provide

standard supply service to a person who is connected to the distributor's distribution system and purchases electricity from a retailer if:

- (a) the person or the retailer acting on behalf of the person informs the distributor in writing that the person wishes to purchase electricity from the distributor;
- (b) the person or the retailer acting on behalf of the person informs the distributor that the retailer is unable to sell electricity to the person; and
- (c) the person or the retailer acting on behalf of the person provides the distributor with the following information:
 - the date after which service no longer will be provided by the retailer, subject to the final meter reading date;
 - the person's account number with the distributor or address; and
 - other information necessary for implementing a change in service that may be required by the Board.

2.1.4 If a request under clause 2.1.2 or 2.1.3 is made to a distributor directly by the person, the distributor shall notify such person's retailer in writing of the request within ten (10) days of the request.

2.2 Fulfillment of the Standard Supply Service Obligation

2.2.1 A distributor shall provide standard supply service for one hundred per cent (100%) of the electricity consumed by a standard supply service customer.

2.2.2 A distributor that chooses to fulfill its standard supply service obligation directly shall purchase the electricity required to fulfill its obligation to sell electricity to consumers under standard supply service directly from the IMO-administered spot market.

2.2.3 If a distributor chooses to fulfill its standard supply service obligation through a third party, the distributor shall ensure its contract with the third party meets all conditions established by the Board, and shall take all reasonable steps to ensure that the third party:

- (a) is licensed to retail electricity under Part V of the Act; and
- (b) is able to fulfill the distributor's obligations to provide standard supply service; and
- (c) fulfills reasonable prudential requirements and other conditions specified by the distributor or the Board.

2.2.4 A distributor shall take all reasonable steps to ensure that a third party providing standard supply service on behalf of the distributor does not retail electricity to consumers in the distributor's licensed service territory other than those consumers who are supplied electricity through standard supply service.

2.2.5 A distributor shall take all reasonable steps to ensure that a third party providing standard supply service on behalf of the distributor does not engage in marketing of electricity or gas in the distributor's licensed service territory.

2.3 Separation of Accounts

2.3.1 A distributor shall maintain separate accounts for expenditures related to its standard supply service obligations, and shall do so in accordance with the Distribution System Code and the Accounting Procedures Handbook.

2.4 Confidentiality of Information

2.4.1 A distributor shall release consumer-specific information only to implement standard supply service or as authorized by the consumer.

2.4.2 A distributor shall take all reasonable steps to ensure that a third party providing standard supply service on behalf of the distributor uses consumer-specific information obtained through the provision of standard supply service only to implement standard supply service.

2.5 Rates

2.5.1 A distributor shall ensure that a standard supply service customer is charged rates for standard supply service that are approved or fixed by the Board and consist of:

- (a) the price for electrical energy; and
- (b) an administrative charge that allows the distributor to recover its cost of providing standard supply service.

2.5.2 The price for electrical energy provided to large volume consumers with a peak demand of greater than 50kW, under standard supply service, shall be the weighted average hourly spot market price for electricity, for the period over which the customer is being billed, weighted according to the hourly consumption of the standard supply service customer as measured by a meter or estimated using a load profile methodology approved by the Board.

- 2.5.3 The price for electrical energy provided to small volume/residential consumers with a peak demand of 50 kW or less, under standard supply service, shall be a fixed price, subject to terms established by the Board. The rate for all consumers with interval meters shall be the spot market price.
- 2.5.4 The administrative charge shall be calculated by the distributor in accordance with the method prescribed in the Rate Handbook as approved by the Board.
- 2.5.5 Other than the rates for electrical energy, a distributor shall charge a standard supply service customer for other costs that are incurred as part of providing standard supply service, in accordance with the method prescribed in the Rate Handbook.
- 2.5.6 In accordance with section 17.8 of its Distribution Licence, a distributor may make application to the Board for an exemption to the fixed reference price requirement for small consumers and replace it with the weighted average hourly spot market price. The information that a distributor shall file with the Board shall include:
- (a) Assurances that the distributor will offer an equal billing plan option (or some equivalent form of levelized or budget billing) to all consumers who elect such a service.
 - (b) A brief description of the distributor's proposed equal billing plan noting the basic operations of the smoothing system (e.g., simple average of last 12 months payments owing) and an overview of the handling of the disposition of the equal billing variances.
 - (c) Evidence that all potentially affected consumers received advance notice of the intentions of the distributor via a billing insert or other direct consumer contact. Such notice must provide concise information regarding the potential bill impact of using the weighted average hourly spot pricing versus fixed pricing as well as the distributor's ability to smooth variations using its equal billing plan.
 - (d) A summary of consumer responses noting the number of consumers opposed to the proposal.

2.6 Credit Risk Mitigation Measures

2.6.1 A distributor may mitigate the risk of non-payment from standard supply service customers by using any means allowed by law including:

- deposits
- late payment charges
- prepayment
- preauthorized payment
- load limiters.

2.6.2 A distributor may disconnect a standard supply service customer for non-payment of standard supply service in accordance with section 31 of the Electricity Act and with the process for disconnection set out in the Distribution System Code.

2.7 Billing

2.7.1 Bills to standard supply service customers shall separate the commodity charges for electrical energy from all other charges.

2.7.2 Bills to standard supply service customers shall only reference the distributor, even if a third party is providing the standard supply service.

2.7.3 Bills to standard supply service customers shall only include the distributor's marketing information or promotional materials, and materials or information that the distributor is obligated to send as part of its regulated distribution function.

2.8 Disclosure to Consumers

2.8.1 A distributor shall disclose information to consumers in accordance with any government regulation made or standard set by the Board.