

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL AND WEB POSTING

BULLETIN

DATE ISSUED: June 27, 2013

**TO: All Licensed Electricity Distributors
All Licensed Electricity Retailers
All Other Interested Parties**

RE: Changes to the Presentation of Costs Associated with Losses on Invoices for Low-volume Electricity Consumers

This Bulletin provides guidance in relation to changes to the presentation of costs associated with losses on invoices that are issued to low-volume electricity consumers.

1. Background

This Bulletin describes changes to [Ontario Regulation 275/04 \(Information on Invoices to Low-Volume Consumers of Electricity\)](#) (the "Bill Presentation Regulation") regarding the presentation of costs associated with losses on invoices issued to low-volume consumers. A low-volume consumer is a consumer who annually uses less than 150,000 kWh of electricity.

For billing purposes, an electricity distributor is required by the Board's Retail Settlement Code and Standard Supply Service Code to adjust (or "gross up") the consumption at a customer's meter to account for power that is consumed or lost as heat during the delivery of electricity. This adjustment is done using an adjustment factor that is approved by the Board and set out in the distributor's rate order.

Currently, the Bill Presentation Regulation contemplates that the adjustment for losses be reflected under the "Electricity" sub-heading of bills issued to low-volume consumers.

Changes to the Bill Presentation Regulation that come into force on July 1, 2013 require that costs associated with losses be shown differently for billing purposes than they are today, as described in section 2 below.

Distributors should take note that the changes to the Bill Presentation Regulation address only where and how information is presented on an invoice. They do not affect how total losses are to be calculated, nor do they affect the charges to which the distributor's Board-approved loss adjustment factor may be applied. The changes therefore have no impact on the amount of a consumer's total bill.

2. New Bill Presentation Requirements

The following are the changes to the Bill Presentation Regulation regarding losses which can be found in the amending regulation [Ontario Regulation 405/12](#):

- i. charges related to losses incurred in the distribution of electricity are to be included under the "Delivery" sub-heading of the bill, unless they are already included in regulatory charges;
- ii. a revised "Glossary of Terms" must be used that incorporates changes to the descriptions of the "Electricity" and "Delivery" sub-headings to reflect the foregoing; and
- iii. invoices no longer separately indicate the consumer's consumption of electricity after the application of the adjustment factor.

The practical effect of the change referred to in (i) above is that the commodity charges for a low-volume consumer are to be calculated and shown on the invoice (under "Electricity") using metered consumption rather than loss-adjusted consumption, and the associated loss costs are to be added to and included as part of the overall "Delivery" charges. For example, for a consumer on time-of-use ("TOU") prices under the Regulated Price Plan, the charges for the three TOU price periods will be calculated and shown using the consumer's metered consumption for each period.

3. Coming into Force

The changes to the Bill Presentation Regulation take effect on July 1, 2013 for all low-volume consumers other than those who have a contract with an electricity retailer. For low-volume consumers who have a contract for electricity with a retailer, the changes to the Bill Presentation Regulation will come into effect on July 1, 2015.

The views expressed in this Bulletin are those of Board staff and are not binding on the Board.

Any enquiries regarding this Bulletin should be directed to the Board's Market Operations hotline, at 416-440-7604 or market.operations@ontarioenergyboard.ca.

Aleck Dadson
Chief Operating Officer
Ontario Energy Board