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Compliance Bulletin 200901

To: All Licensed Smart Sub-Metering Providers
All Unlicensed Electricity Distributors
All Licensed Electricity Distributors

Re: Installation of Sub-Metering Systems in Residential Complexes

This Bulletin provides guidance to licensed smart sub-metering providers, unlicensed electricity distributors, and licensed electricity distributors in relation to the installation of sub-metering systems in residential complexes as defined in the *Residential Tenancies Act, 2006* (“residential complexes”).

Any party that has undertaken, or is contemplating undertaking, these installation activities may be subject to enforcement action by the Ontario Energy Board (the “Board”).

The Compliance Office has been made aware of consumer concerns regarding the installation of sub-metering systems in residential complexes. This Bulletin sets out the Compliance Office’s views and expectations in relation to such activity.

Section 53.18 of the *Electricity Act, 1998* (the “Electricity Act”) provides that no distributor shall conduct discretionary metering activities on and after November 3, 2005 unless the distributor is authorized “by this Act, a regulation, an order of the Board or a code issued by the Board or it is required to do so under the *Electricity and Gas Inspection Act* (Canada).”

For the purposes of section 53.18 of the Electricity Act, “discretionary metering activity” means:

the installation, removal, replacement or repair of meters, metering equipment, systems and technology and any associated equipment, systems and technologies which is not mandated by the *Electricity and Gas Inspection Act* (Canada), by regulation, by an order of the Board or by a code issued by the Board or authorized by a regulation made under this Act.

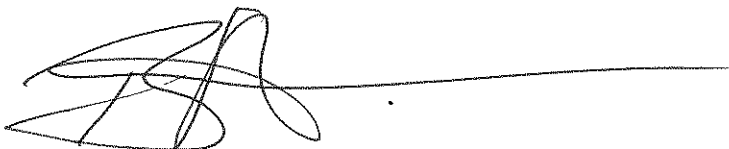
A distributor is a person that owns or operates a system to convey electricity at voltages of 50 kV or less. The Board therefore considers that a landlord or building owner is a distributor for purposes of section 53.18 of the Electricity Act regardless of whether or not the landlord requires a licence to own or operate a distribution system.

Current legislation authorizes certain discretionary metering activities in respect of condominiums by licensed distributors and smart sub-metering providers. If a discretionary metering activity is not currently authorized by the Electricity Act or a regulation, then no distributor can carry out the discretionary metering activity. The intent of this legislation has been to ensure the appropriate regulatory framework is in place to protect the interests of consumers. The installation of sub-metering systems in residential complexes, other than condominiums, is not currently authorized by the Electricity Act or regulation. Therefore, such activities are currently prohibited based on section 53.18 of the Electricity Act.

The Compliance Office has received allegations that several licensees may be providing sub-metering services that are not in compliance with the Electricity Act, the *Ontario Energy Board Act* ("the Act") and the Board's regulatory instruments. Non-compliance with section 53.18 of the Electricity Act is a serious matter and it is expected that all non-compliant activities will cease immediately.

The views expressed in this Compliance Bulletin are not binding on the Board. The Chief Compliance Officer may seek enforcement action by the Board under Part VII.1 of the *Ontario Energy Board Act, 1998* in relation to non-compliance.

Please direct any questions you may have on the subject matter of this Compliance Bulletin to the Market Participant hotline at 416-440-7604 or by e-mail at market.operations@oeb.gov.on.ca.

A handwritten signature in black ink, consisting of several loops and a long horizontal line extending to the right.

Brian Hewson
Chief Compliance Officer
Ontario Energy Board