

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

December 23, 2008

To: All Electricity Distribution Companies

Re: New and Amended Charge Types for Recording in Account 4708

The Ontario Energy Board is updating the list of Independent Electricity System Operator (IESO) wholesale market service (WMS) charge codes that apply to Uniform System of Account (USoA) 4708, WMS – Charges. Effective in December 2008, the IESO introduced new and amended charge types for reactive support and voltage control (RSVC). The descriptions for the two charge types (451 and 452) are provided. For your reference, Appendix A provides an updated list of the IESO wholesale market charge codes for mapping and recording charges in account 4708.

Background information

In the operations of the IESO-controlled grid, the IESO requires RSVC to maintain consistent reactive power and voltage levels on the grid. The IESO may obtain RSVC services from generation facilities and other equipment, which are Ancillary Service Providers (ASPs). The IESO has contracts with ASPs for RSVC services. The generation facilities providing the RSVC service may receive instructions to operate in various modes.

Charge Types for reactive support and voltage control

Previously, the IESO settled the market costs for RSVC contracts through Charge Type 452. The calculation of and settlement amount for Charge Type 452 was outside the Commercial Reconciliation System and the charges shown in settlement statements on the last day of each month. The Charge Type 452 amount included both hourly and monthly charges.

Effective December 1, 2008, the Commercial Reconciliation System will calculate the RSVC contract costs. The settlement costs applicable to the market participants will be in separate hourly and monthly charge components, but the overall nature of the RSVC charges will remain the same as previous. Starting in December 2008, Market Participants including electricity distributors will see hourly charges in new Charge Type 451, Hourly Reactive Support and Voltage Control Settlement Debit, in their Preliminary Settlement Statements. The monthly charges will be on Settlement Statements the last day of the month under amended Charge Type 452, Monthly Reactive Support and Voltage Control Settlement Debit.

Please direct questions regarding the WMS charge type classifications to the Market Operations Hotline at 416-440-7604 or market.operations@oeb.gov.on.ca. The Board's toll free number is 1-888-632-6273.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

Appendix A

**Classification of IESO Wholesale Market Service
Charge Types to the USoA Accounts
Revised December 2008**

IESO Charge Type Number	IESO Charge Type Name of Non-Competitive Wholesale Market Electricity (WMS) Service Charges	Electricity USoA
150	Net Energy Market Settlement Uplift <ul style="list-style-type: none"> • Line Losses • Intertie Offer Guarantee 	Account 4708, Charges WMS
155	Congestion Management Settlement Uplift	
250 251 252 253 254 255 450 451 452 454 550	Ancillary Services Operating Reserve: <ul style="list-style-type: none"> • 10 Minute Spinning Market Reserve Hourly Uplift • 10 Minute Spinning Market Reserve Shortfall Debit • 10 Minute Non-Spinning Market Reserve Hourly Uplift • 10 Minute Non-Spinning Market Reserve Shortfall Debit • 30 Minute Operating Reserve Market Hourly Uplift • 30 Minute Operating Reserve Market Shortfall Debit Black Start Capability Settlement Debit Hourly Reactive Support and Voltage Control Settlement Debit (<i>New effective December 1, 2008</i>) Monthly Reactive Support and Voltage Control Settlement Debit (<i>Amended December 1, 2008</i>) Regulation Service Settlement Debit Must Run Contract Settlement Debit	
102 118 141 163 164 165 166 167 168 169 170 182 183 184	Other Wholesale Market Service Uplifts Transmission Rights Clearing Account Credit Emergency Energy Rebate Fixed Wholesale Charge Rate Settlement Amount Additional Compensation for Administrative Pricing Debit Outage Cancellation/Deferral Debit Unrecoverable Testing Costs Debit Tieline Reliability Maintenance Debit Emergency Energy and EDRP Debit Transmission Rights Market Shortfall Debit Station Service Reimbursement Debit Local Market Power Rebate Hour-Ahead Dispatchable Load Offer Guarantee Debit Generator Cost Guarantee Recovery Debit Demand Response Debit	

186	Intertie Failure Charge Rebate	
460	IESO-Controlled Grid Special Operations Debit	
700	Dispute Resolution Settlement Credit	
750	Dispute Resolution Settlement Debit	
751	Dispute Resolution Board Service Debit	
753	Rural and Remote Settlement Debit	
754	OPA Administration Debit	
850	Market Participant Default Settlement Debit (Recovery)	
1188	Day-Ahead Fuel Cost Compensation Debit	
9990	IESO Administration Charge	
N/A	IESO Application Fee	
N/A	Administrative Penalties (e.g. late payment charges)	Account 4712, WMS Charges – One –Time