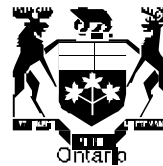


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Compliance Office

November 2, 2005

Information Bulletin 200511

To: All Licensed Electricity Distributors and Licensed Electricity Retailers

Re: Regulated Price Plan ("RPP"): Continued Eligibility for Consumers that Leave the RPP

This Bulletin is intended to provide guidance to licensed electricity retailers and electricity distributors in relation to the ability of consumers who are eligible for the RPP to exit and return to the RPP. It also provides guidance in relation to which RPP prices the consumer shall pay upon returning.

Under the current framework, an RPP-eligible consumer may leave the RPP by entering into or renewing a retail contract or by electing spot market pricing. It has come to the attention of the Compliance Office that there is confusion among consumers, electricity retailers and distributors regarding the electricity commodity pricing regime that applies to an RPP-eligible consumer that wishes to return to the RPP (a "Returning Consumer").

A Returning Consumer includes a consumer that:

- was on spot market pricing prior to the date on which the RPP took effect, or who elected to be charged on the basis of spot market pricing after the RPP took effect, but no longer wishes to be charged on that basis; or
- entered into or renewed a retail contract between December 9, 2002 and the date on which the RPP took effect, or who entered into or renewed a retail contract after the date on which the RPP took effect, and whose retail contract has ended.

The Compliance Office is therefore clarifying that the following rules apply, based on section 79.16 of the *Ontario Energy Board Act, 1998*, and sections 2.1.3, 3.2.5 and 3.2.6 of the Standard Supply Service Code (the “SSS Code”):

- where a Returning Consumer’s retail contract ends, unless the Returning Consumer makes a different choice, the Returning Consumer automatically returns to the RPP following the giving of any necessary notice and the completion of any necessary processing, including a service transaction request; and
- a Returning Consumer that is on spot market pricing may return to the RPP after giving notice to that effect to the distributor.

When a Returning Consumer returns to the RPP, the commodity prices that the distributor will apply will depend on two factors. The first is the type of meter used by the Returning Consumer. The second is whether the Returning Consumer returns to the RPP before or after the “second term commencement date”.

The “second term commencement date” is the date on which the current RPP prices will be replaced with new prices set by the Board. The “second term commencement date” is also the date on which “smart meter” or “time-of-use” pricing becomes mandatory for all consumers that have eligible time-of-use meters. (On November 2, 2005, the Board announced that the “second term commencement date” will be May 1, 2006). The result is the following:

- if the Returning Consumer has a conventional meter, the “two-tiered” or conventional meter RPP prices referred to in section 3.3 of the SSS Code apply regardless of the date on which the Returning Consumer returns to the RPP;
- if the Returning Consumer has an eligible time-of-use meter and returns to the RPP before the “second term commencement date”:
 - the time-of-use RPP prices referred to in section 3.4 of the SSS Code apply if the distributor has elected to offer time-of-use prices;
 - otherwise, the conventional meter RPP prices referred to in section 3.3 of the SSS Code apply until the “second term commencement date” and the time-of-use RPP prices referred to in section 3.4 of the SSS Code apply thereafter; and
- if the Returning Consumer has an eligible time-of-use meter and returns to the RPP after the “second term commencement date”, the time-of-use prices referred to in section 3.4 of the SSS Code apply.

This Information Bulletin supersedes Compliance Bulletin 200401 issued on May 7, 2004. Compliance Bulletin 200401 should no longer be relied upon.

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



Brian Hewson
Chief Compliance Officer
Compliance Office

No statutory power of decision has been delegated to the Chief Compliance Officer, and the views expressed in this Information 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.