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## **COMPLIANCE BULLETIN**

**DATE ISSUED: September 2, 2010**

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

**RE: Application of the Board's Determination Under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing for Regulated Price Plan Consumers and Associated Reporting Requirements**

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This Bulletin provides guidance in relation to the application of the Board's August 4, 2010 determination to mandate time-of-use ("TOU") pricing for Regulated Price Plan ("RPP") consumers (the "August Determination").

### **1. Background**

In the August Determination, the Board established the "mandatory TOU date" for each electricity distributor as contemplated in section 1.2.1 of the Standard Supply Service Code (the "SSS Code").

Since issuance of the August Determination, a number of market participant enquiries have been received regarding the manner in which the August Determination is to be applied. Specifically, some distributors have asked whether the reference in the August Determination to an RPP consumer's billing cycle means that they must bill all RPP consumers on the basis of TOU prices as of the relevant billing cycle date, or only some RPP consumers.

This Bulletin sets out Board staff's views on the application of the August Determination, as well as on a related issue pertaining to the Board's associated reporting requirements.

### **2. Application of August Determination**

The August Determination requires a distributor to convert all of its RPP consumers with eligible time-of-use meters to TOU pricing. The references to an RPP consumer's billing

cycle in the August Determination are intended to accommodate the range of billing practices across the Province and to relieve distributors from the need to bill any given RPP consumer on the basis of two different prices (tiered and TOU) for the same billing period.

The practical application of the August Determination is such that a distributor should consider its “mandatory TOU date” to be the date on which the distributor must commence converting, by billing cycle, all of its RPP consumers with eligible time-of-use meters to TOU pricing. Each and every such RPP consumer would then be converted to TOU billing effective on the first day of their next billing cycle.

For example, if a distributor is required to commence converting RPP consumers to TOU pricing on June 4, 2011, each RPP consumer must be converted to TOU pricing effective the first day of the consumer’s first billing cycle that occurs after June 4, 2011. In other words, the distributor must convert each RPP consumer to TOU pricing as of the consumer’s first meter read (actual or estimated) following June 4, 2011. If a distributor had all RPP consumers on a monthly billing cycle, compliance with the August Determination would require the distributor to have completed all RPP consumer conversions by early July 2011 (approximately four weeks after the mandatory TOU date).

### **3. Reporting Requirements**

In the letter accompanying the August Determination, the Board confirmed that each distributor is required to provide additional information regarding its progress in relation to the achievement of its mandatory TOU dates. By letter dated August 13, 2010, the Board provided further detail regarding the new reporting requirements. That letter identified that the following information must be provided and included a template for that purpose: “the dates upon which eligible consumers will start to be billed on the basis of TOU pricing, based on the billing cycle applicable to each, and the number of consumers that will begin to be billed on a TOU basis on each date”. For any given set of RPP consumers, the date that is to be entered into the template is the date on which TOU pricing starts to apply to that set of consumers, and not the date on which that set of consumers receive their first TOU-based bills.

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@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca).

Yours truly,

*Original Signed by*

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Ontario Energy Board