

**Minutes of the Retail Settlements Code Development Task force
First Meeting April 16, 1999 1:00pm - 3:30pm**

Location: Ontario Energy Board offices

Orientation by Paula Conboy

Paula Conboy from the Board provided a general orientation to the task force and its logistics:

- The Board feels that because the retail settlements code will deal with technical issues, the industry, with its operational knowledge, should take primary responsibility to develop the retail settlements code (RSC). The code developed by the task force will require Board approval prior to its implementation.
- Board staff will be developing a Website to post relevant information and minutes of meetings. More details on that at a later date.
- A list of task force members was circulated. Meeting participants were asked to verify contact information on the list. Corrections will be made and the list circulated to the members to help them communicate directly with each other. Attendance will be taken in all future meetings (for the Board's own internal costing purposes only). Substitutes may attend task force meetings.
- Paula Conboy is the Board staff contact person for the RSC task force. Shela Chan at the Board should be contacted for administrative issues, such as meeting confirmation times, report production for meetings etc. Her number is 416-440-7603, email chansh@oeb.gov.on.ca . Technical support is available from PHB/HB.
- The Board's offices are available for meetings but participants should not feel restricted to meeting at the Board's offices only. When meetings are to be held at alternative sites, members were asked to provide Paula with the location and timing for posting on the Website. Participants were asked to RSVP to all meetings to allow the Board to ensure it has adequate seating capacity and arrange for coffee and/or lunch.
- Some of the issues that participants will be dealing with will be dependent on, or will affect, work that has been undertaken elsewhere (for example, the Market Design Committee recommendations, work being undertaken by the PBR taskgroups, other codes such as the affiliate code of conduct or the standard

service supply code). Board staff will be available to provide information regarding these and other Board directed efforts.

- Board staff will be responsible for coordination with other Board led activities such as the development of the rates handbook or the standard service supply code.
- The task force should review the recommendations of the Retail Technical Panel of the Market Design Committee and/or of the Market Design Committee itself, distributed in the morning. These were recommendations are not approved yet, some will need to be considered by the task force.
- Task force participants will be responsible in part for obtaining necessary background information; Board staff will provide support in this area.
- Board staff will assist to the extent possible, in copying and circulating chapters, papers, reports and memos to the task force. However, the task force may wish to undertake these activities within the task force.
- The task force is responsible for ensuring that minutes of each meeting are taken, circulated to other participants for approval and provided to Shela for distribution and posting on the web.
- The task force may determine that sub groups must be formed. If this happens Board staff will provide support as appropriate.
- The task force will be expected to identify a chairperson sooner rather than later to ensure progress in accordance with the work plan, attend and lead task force meetings, coordinate with Board staff and consultants, and organize minute taking. Task force members were asked to think about who should be the chairperson prior to the next meeting.
- The next meeting of the RSC task force will be April 27, 1999 from 9:00 AM - 4:00 PM at the Board offices.

Introductions

Each participant stated the organization s/he represents and other relevant information to the task force.

Proposed Terms of reference of the Retail Settlements Code

John Chandley asked the group whether there were additional items to be placed on the terms of reference. This was accompanied by general discussion about retail

settlements and other issues relevant to distribution utilities.

Issues requested clarification:

- Board direction on whether it will proceed with zonal or nodal pricing in the future.
- There was a significant amount of discussion around rate issues. For example, some members asked for clarification on:
 - what charges will be included in the energy component and wires components of rates;
 - Interface between wholesale charges and how distributors collect for them;
 - performance standards
 - who will define billing determinants for transmission charges
- The task force was told that many of these issues are being dealt with by the performance based rates (PBR) task force and will be encompassed in the rates handbook. This handbook will be available for stakeholder comments in June. It was agreed that staff should request someone from the PBR task force provide this task force with a brief presentation on the issues being considered by the PBR task force at the next meeting.
- One member suggested that the task force read the Board's rate order for OHSC transmission and distribution rates for clarification on rate structure (RP-1998-001). However, it was noted that this is a transitional rate order only.
- Who will be defining the rebate process for distributors (Appendix A of the transitional distribution licences re pass through rebate)?
- Will metering be made competitive?
- There was significant discussion with respect to the structure of the standard supply service (default supply) price. Members were asked to remember that this is not the forum for discussing or resolving standard supply service issues. They are being dealt within another forum.
- How soon does a distributor get the market price from the IMO?

Items to be added to the TOR:

- One member questioned whether embedded generation might more appropriately be a metering issue.
- IT - should the interface with retailers be standardized?
- Dispute resolution process

- Consumer education

Uncertain as to whether these items belong on the TOR for the RSC or whether they are being dealt with in other forums (requires Board staff clarification by next meeting):

- How will load transfers agreements be treated and what implications might they have on retail settlements?
- Bill format - what must be displayed (charges unbundled on the bill)
- How should distributors deal with power factors?
- Can the group assume that the Board will approve the NSLS approach?
- Bad debt requirements

Issues that are currently included in the items of the TOR and will require discussion:

- Would it be more efficient for a distributor to calculate different load shapes for different customer classes?
- Do we need a common billing cycle?
- Frequency of settlement reconciliation.
- What is the net weighted average price and how does a utility explain it to customers?
- How is NSLS affected in jurisdictions with a lot of population movement (i.e. university towns)? Is there a potential of instability of the NSLS for a small utility if a relatively large load moves either in or out of the NSLS?
- How do you accommodate customers who have invested in load management equipment (can they get out of NSLS?)?

Other notes

- One member recommended that in its deliberations, the task force should use the criteria of “keeping it simple” and to remember the implications on the customer.
- Don Thorne of Milton Hydro and Ray Tracey of Windsor Hydro both provided a brief overview of their respective settlement processes. They will both provide a more formal presentation at the next meeting. It was suggested that they provide an example using the same input data so that the group could see how the load profile is calculated etc. Other members were invited to participate in the presentations. However, there were no other volunteers.

Next meeting

- It was recommended that members read the Market Design Committee's Retail Technical Panel Report on Retail Settlements prior to the next meeting. The group would then be in a position to decide whether it was in agreement with the recommendations made by the RTP's report on Retail Settlements or whether further discussion is required in certain areas.
- Members were also asked to think about who they might like to select as chairperson for the task force.