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July 11, 2007

Compliance Bulletin 200704

To: All Licensed Electricity Distributors and
All Licensed Electricity Retailers

Re: Effective Date of Service Transfers

This Bulletin is intended to provide guidance to licensed electricity distributors and licensed electricity retailers in relation to the effective date of service transfers. For greater certainty, a service transfer includes a change from Regulated Price Plan pricing to contract pricing for consumers that enter into or renew a retail contract with a retailer with whom they currently have a retail contract.

Section 10.5.1 of the Retail Settlement Code (the "RSC") states in part as follows:

Subject to sections 10.5.1 and 10.5.3 to 10.5.5, a service transfer from one retailer to another, including a transfer from or to an SSS provider, shall only take effect on the date of an actual meter read.

While the RSC includes additional provisions that contemplate that a service transfer can take effect on a date other than the date of an actual meter read, or that allow for a special meter read on a specified date other than the distributor's normally scheduled meter read date, these provisions are not used as standard industry practice.

Industry practice remains that, for purposes of giving effect to a service transfer, the consumer's meter will be read on the distributor's next scheduled meter read date as long as sufficient advance notice of the transfer has been given. The length of notice is determined by the distributor, to a maximum of 20 business days. The consequence of this practice is that, for consumers that enter into a retail contract, the effective date of the transfer under the RSC may be later than the effective date of the contract. Similarly, the effective date of the transfer back to standard supply service (or to another retailer) at the end of the contract term may be later than the date that is the end of the term of the contract.

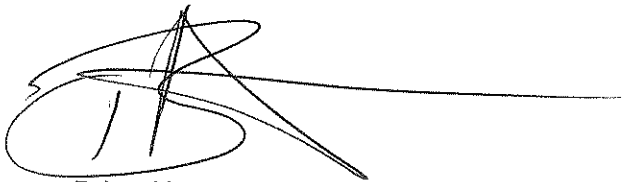
In my view, this industry practice represents an appropriate approach and can continue to form the basis on which billing and settlement are effected, including for purposes of any

associated reporting requirements to the Independent Electricity System Operator. In other words, settlement and billing under the RSC should be determined based on the date of the actual meter read (i.e., the effective date of the service transfer), regardless of the commencement and end dates of the retail contract. This applies equally in the case of a consumer with a retail contract that is being charged Regulated Price Plan prices by virtue of the application of section 79.16 of the *Ontario Energy Board Act, 1998* and that enters into or renews a retail contract with the retailer and moves to contract pricing.

The above is not intended to disentitle applicable parties from their right to request a special meter read, to agree to an effective transfer date other than the date of the future actual meter read or to make other alternative arrangements contemplated in the RSC. Where such a right is exercised, it must be given effect in accordance with the RSC.

It is my understanding that many retail contracts already specify that the date on which supply will commence under the contract may be a date other than the contract commencement date. To ensure that consumers better understand how billing and settlement under retail contracts works, electricity retailers should, when marketing to a prospective customer, explain that the period during which contract pricing applies may not coincide exactly with the contract commencement and end dates, depending on the dates on which the prospective customer's meter is read.

Please direct any questions you may have on the subject matter of this 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 a large, stylized 'B' followed by a horizontal line extending to the right.

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 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.