



EB-2005-0252

**NOTICE OF PROCEEDING ON BOARD'S OWN MOTION
UNDER SECTION 74 OF THE *ONTARIO ENERGY BOARD ACT, 1998*
AND NOTICE OF WRITTEN HEARING**

The Board has commenced a proceeding on its own motion under section 74 of the *Ontario Energy Board Act, 1998* (the Act) to determine whether distributor licences should be amended and guidelines issued to address issues related to sub-metering. When a customer of a distributor measures the electricity used by smaller units behind the distributor's revenue meter in order to apportion the bill, it is called sub-metering. A person providing sub-metering service (a sub-meterer) may for example be a landlord or a condominium corporation or someone with whom a landlord or condominium corporation has contracted to provide this service. **This proceeding will not consider circumstances in which a person owns or operates a distribution system that has wires that run along public rights of way and that is embedded within the system of a licensed distributor (an embedded distributor).**

The Board, in its decision in RP-2003-0044, developed guidelines on the treatment of applications to amend the service areas of licensed distributors. Among the guidelines established in this decision are that:

1. Economic efficiency is a primary consideration in assessing a service area amendment application.
2. Overlapping service areas will not generally be found to be in the public interest.
3. New embedded distributors will not generally be found to be in the public interest.

Subsequent to the Board's decision in RP-2003-0044, a number of issues have arisen with respect to sub-metering. The Board intends through this process to make any licence amendments and develop any guidelines that it considers necessary after considering the following questions:

1. Is a sub-meterer as described above an owner or operator of an electricity distribution system?
2. If so, would a sub-meterer be exempted by regulation from being licensed and rate regulated by the Board?

3. Should a sub-meterer be licensed and rate regulated by the Board or should the Board refrain under s.29 of the Act from licensing and/or rate regulating this activity?
4. If the Board licences and/or rate regulates sub-meterers, should it be in the same manner as distributors are currently licensed and rate regulated or in a different manner?

Where changes to regulations are necessary to implement any conclusions of the Board on these questions, the Board may recommend such changes to the Government.

Unless a party satisfies the Board that this matter should proceed by a way of an oral or electronic hearing, the Board intends to proceed by way of a written hearing. The Board has assigned Board file number EB-2005-0252 to this matter. The Board intends to receive written evidence and to hear oral submissions in this matter.

If you wish to participate in this process you must make a written submission (including any submission on the type of hearing) to the Board Secretary by 4:45 p.m. on April 15, 2005, setting out your interest and how you plan to participate. Information on how to participate may be obtained by calling the Board's Customer Service Centre toll-free 1-877-623-2727, or by e-mail at Boardsec@oeb.gov.on.ca.

IMPORTANT

IF YOU DO NOT FILE WRITTEN SUBMISSIONS, OR PROVIDE REASONS WHY THE BOARD SHOULD NOT PROCEED BY WAY OF A WRITTEN HEARING, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE OF THESE PROCEEDINGS.

DATED AT Toronto, April 4, 2005.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

