



# GETTING TO KNOW THE ONTARIO ENERGY BOARD

RESOURCE GUIDE  
FOR REGULATED ENTITIES



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# INTRODUCTION

## Welcome to the OEB Guide

We've developed this Resource Guide as part of our commitment to work with you, our stakeholders, to be a helpful and responsible regulator. It is intended to be a plain-language reference tool outlining why we regulate, what we regulate and how we regulate. Our goal is to help you better understand the OEB and our processes so you can effectively manage your regulatory requirements.

While this Resource Guide is designed as a regulation “primer” and a quick, convenient resource, our website provides more comprehensive information. We invite you to provide your feedback on these resources by emailing us at [Market.Operations@oeb.gov.on.ca](mailto:Market.Operations@oeb.gov.on.ca).

## Quick Facts About the OEB

- The OEB is the regulator of Ontario's natural gas and electricity sectors.
- The OEB envisions a viable and efficient energy sector with informed consumers, served by responsive regulation that is effective, fair and transparent.
- Our key regulatory functions include:
  - issuing codes, rules and guidelines for regulated entities to follow in their operations;
  - licensing and oversight of market participants including generators, marketers and retailers;
  - monitoring and enforcing compliance with regulations;
  - approving the natural gas commodity price charged by gas distributors;
  - approving and setting delivery rates for natural gas distribution and electricity distribution and transmission;
  - approving facilities, including those for natural gas storage and the transmission of electricity;
  - setting the price of electricity for certain consumers under the Regulated Price Plan;
  - reviewing and setting regulatory policy; and
  - approving amalgamations, acquisitions, divestitures and mergers.
- The OEB conducts its regulatory functions through oral and written public hearings, working groups and written consultations.
- The OEB reviews and processes hundreds of applications annually, ranging from routine licensing requests to complex rate-change applications.
- Based in Toronto, the OEB is an independent, self-financing Crown corporation.

### DID YOU KNOW?

The OEB has an information line and email address specifically for industry stakeholders to help clarify regulatory requirements and direct you to the right person.

#### Information line:

(416) 440-7604

[Market.Operations@oeb.gov.on.ca](mailto:Market.Operations@oeb.gov.on.ca)



# ENERGY SECTOR REGULATION: A BRIEF OVERVIEW

We, at the OEB, receive our jurisdiction from provincial legislation and regulations. In carrying out our mandate, we balance a number of objectives, including protecting consumers' interests and ensuring the viability of Ontario's natural gas and electricity sectors. To achieve this balance, we must ensure that the rules and regulations are applied fairly and consistently.

## **Mandate of the OEB:**

*To regulate the province's electricity and natural gas sectors in the public interest.*

## **How have the OEB's role and energy sector regulation evolved?**

For most of the 20th century, the publicly owned (Crown corporation) Ontario Hydro was the major force in Ontario's electricity sector. Ontario Hydro dominated all aspects of the province's electricity sector, serving as the primary generator and transmitter of power. It also had authority to regulate and set the rates at both the wholesale and retail levels. The OEB was created in 1960 with a limited mandate to set rates for the sale, distribution and storage of natural gas.

In the late 1990s, the government decided to restructure the electricity sector. These regulatory reforms included the breakup of Ontario Hydro, the creation of a wholesale electricity market and giving the OEB responsibility for regulating part of the sector.

The natural gas industry has been evolving since the federal/provincial agreement in 1985 that deregulated the priced supply at its source.

## **Why is the energy sector regulated?**

Most industries in Canada are subject to some form of regulation governing what they can and cannot do. The energy sector, however, is more closely regulated than many other industries because of the unique characteristics surrounding energy supply and delivery.

For example, unlike other industries in which there are numerous companies competing to sell their products and services, electricity and natural gas distribution and transmission are considered to be "natural monopolies." This is due, in part to the inefficiency of having duplicate facilities. Natural monopolies include infrastructure industries, such as electricity and natural gas delivery, that are capital

intensive and vital services. Since there is a significant economic “barrier to entry” in initially constructing the infrastructure, there is little or no competition and a firm in a natural monopoly position could price its products and services significantly above costs.

The primary goal of energy sector regulation, therefore, is to ensure that the public good is served in a marketplace that is not competitive.

## What is “economic regulation”?

Regulation of the energy sector is considered a form of “economic regulation”. Laws, regulations and other requirements have been designed to address the natural monopoly position of companies, acting as a substitute for the economic forces that would normally influence them in a competitive market. Economic regulation is also designed to provide oversight of the markets to protect consumers. The OEB’s role as an economic regulator is to balance the interests of regulated entities and consumers.

- **The public is well served if both the pricing and the standard of service being provided are fair and reasonable.** In this regard, the OEB’s objectives include regulating prices to levels that are “just and reasonable” for consumers and setting standards of conduct and conditions of service for entities to follow in their operations.
- **The regulated entities are well served if they are viable businesses, so that they can sustain these pricing and service levels in the longer term.** Entities must have a reasonable opportunity to recoup costs and earn a fair return for the significant financial investment they make in the supply and delivery of energy to consumers.

Economic regulation plays additional roles in terms of ensuring appropriate treatment of all consumers. For example, in a competitive market, dissatisfied consumers can complain, switch to a competitor or do without. Since these options are not readily available to them for electricity or natural gas distribution, the OEB also serves as a forum for hearing and attempting to resolve consumer complaints.

## What are the benefits of regulation to the regulated entities?

- Regulation helps foster market integrity and public confidence.
- It provides legitimacy in matters such as rate changes because the public can be confident that such increases have been fully vetted, justified and explained.

# THE OEB AND YOU: WHAT AND HOW WE REGULATE

Understanding the OEB's role as your regulator can help you better meet your regulatory obligations and simplify your dealings with us.

Our responsibilities can be grouped into three main areas and are described below:

1. Market regulation;
2. Protecting consumers' interests; and
3. Policy initiatives.

## Overview of OEB Roles and Functions

	1. Market Regulation	2. Protecting Consumers' Interests	3. Policy Initiatives
<b>What we do</b>	Regulate and monitor Ontario's energy sector, including the setting of rates and approval of applications  Monitor ongoing financial operating performance of natural gas and electrical utilities  Assist stakeholders with regulatory issues	Inform and safeguard consumers on energy sector matters	Contribute to the regulatory policy framework of the energy sector
<b>Why we do it</b>	To promote an efficient, viable and sustainable energy sector and uphold the public interest	To help energy consumers make informed decisions and ensure their interests are protected	To meet emerging energy trends and challenges effectively
<b>How we do it</b>	<ul style="list-style-type: none"> <li>• Applying codes, rules and guidelines</li> <li>• Licensing market participants</li> <li>• Helping entities manage regulatory requirements</li> <li>• Monitoring and enforcing compliance</li> <li>• Adjudication (e.g., rate applications, facilities approvals)</li> </ul>	<ul style="list-style-type: none"> <li>• Publishing consumer information</li> <li>• Maintaining a Consumer Relations Centre and complaint resolution process</li> <li>• Ensuring entities meet their customer service obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing government reforms and policy initiatives</li> <li>• Soliciting stakeholder input on significant energy issues</li> <li>• Reporting by the Market Surveillance Panel</li> <li>• Developing codes, rules and guidelines</li> </ul>
<b>Who is responsible at the OEB?</b>	<ul style="list-style-type: none"> <li>• Regulatory Policy &amp; Compliance</li> <li>• Legal Services &amp; Board Secretary</li> <li>• Applications &amp; Regulatory Audit</li> </ul>	<ul style="list-style-type: none"> <li>• Communications &amp; Consumer Relations</li> <li>• Regulatory Policy &amp; Compliance</li> <li>• Legal Services &amp; Board Secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory Policy &amp; Compliance</li> <li>• Legal Services &amp; Board Secretary</li> </ul>

# 1. MARKET REGULATION

The OEB regulates entities in Ontario's energy arena with the goals of promoting an efficient, viable and sustainable sector and upholding the public interest. We're committed to maintaining and continually improving our regulatory processes to ensure that they are effective, fair and transparent. The integrity of the markets and consumer confidence are essential elements for a healthy energy sector.

We perform our market regulation role in the following ways:

## ***Applying codes, rules and guidelines***

To ensure an adequate level of consumer and market participant protection, as well as responsible, fair and accountable conduct, the OEB issues rules and codes that entities must adhere to. The codes establish the responsibilities and obligations of licensees to consumers and other licensees. We also issue non-binding guidelines to assist those we regulate in preparing their applications for approvals.

## ***Licensing market participants***

The OEB licenses:

- Natural gas marketers who sell to low-volume consumers (residential and small commercial consumers); and
- Most participants in the electricity sector, which include:
  - generators;
  - transmitters;
  - distributors;
  - wholesalers;
  - retailers;
  - smart sub-metering providers;
  - the Independent Electricity System Operator;
  - the Ontario Power Authority; and
  - the Smart Metering Entity.

A licence from the OEB provides your entity permission to operate and outlines your regulatory requirements. Licensing is also an important tool the OEB uses to protect energy consumers.

## ***Helping entities manage regulatory requirements***

It can be a real challenge knowing what the various laws, regulations and rules are and how to comply with them. At the OEB, we believe that if you understand your regulatory obligations, it will be easier to ensure you're in compliance.

Our goal is to work with you – and all the entities we regulate – to help you learn, plan and manage your regulatory requirements. For us that means providing useful tools and information, as well as regulating in an open and transparent manner.

## How the OEB helps you with regulatory issues:

We issue bulletins that provide information and direction on how to meet your regulatory obligations.

We offer a dedicated OEB information line (416-440-7604) and email service ([Market.Operations@oeb.gov.on.ca](mailto:Market.Operations@oeb.gov.on.ca)) for your compliance-related questions or concerns. You can expect a response typically within five business days.

We publish handbooks, filing procedures and other strategies to help you understand what you need to do for different processes. For instance, we offer filing guidelines for electricity and gas rate applications that outline the policies and procedures for distributors and transmitters to follow in applying for distribution and transmission rates.

We maintain an online Regulatory Calendar with up-to-date information on scheduling of major applications, rules, codes and consultative policy initiatives, which provides you with a clear sense of the OEB's timing and a better understanding of our progress on key initiatives and processing of applications.

## ***Monitoring and enforcing compliance***

The OEB is responsible for ensuring that regulated entities are following laws, regulations and other requirements.

We monitor compliance by:

- gathering information about your company;
- conducting audits;
- carrying out compliance reviews;
- examining allegations of non-compliance; and
- monitoring various aspects of financial operating performance.

The OEB's Compliance Office promotes education and understanding to help prevent regulated entities from unknowingly failing to meet their obligations. In the event of a compliance-related concern (a potential violation of any applicable legislation, regulation, rule, order or other requirement), as a general practice our goal is to work with you to resolve the issue. We may, when appropriate, enforce compliance in various ways, including by:

- Establishing compliance plans;
- Imposing financial penalties, which can be as high as \$20,000 per day;
- Suspending or revoking your licence; and
- Issuing compliance orders.

## ***Adjudication***

The OEB carries out many of its regulatory functions – such as licensing, approving applications for rates and the construction of transmission lines – through an adjudicative (court-like) process. We examine evidence via oral or written public hearings, then render and communicate our decision to all affected parties. See the section “Understanding the Adjudication Process” for more details.

## 2. PROTECTING CONSUMERS' INTERESTS

Another key role of the OEB is to inform and safeguard the public on energy sector matters. We do so in several ways, including the following:

### ***We publish consumer information***

To help the public better understand energy matters and make informed energy decisions, the OEB provides a broad range of information – through our website and print materials – about electricity and natural gas in Ontario.

### ***We maintain a Consumer Relations Centre and complaint resolution process***

Our Consumer Relations Centre (toll-free 1-877-632-2727 or 416-314-2455) addresses the energy-related questions and concerns of Ontarians. We've also established a complaint resolution process for consumers who are experiencing a problem with their energy supplier. We recommend that consumers first attempt to resolve the matter directly with the company involved. If they are unsuccessful in resolving the issue, then they can file a complaint with the OEB.

### ***We ensure that entities meet their customer service obligations***

Our compliance monitoring and enforcement program is the cornerstone of the OEB's role to protect consumers and a fundamental responsibility we take very seriously. Every market participant is required to adhere to regulatory obligations for serving consumers.

## 3. POLICY INITIATIVES

The OEB contributes to the overall policy framework of the energy sector to help ensure that the province stays on top of emerging trends and effectively meets new challenges. We do so in the following ways:

### ***Implementing government reforms and policy initiatives***

The OEB is responsible for implementing energy sector reforms and major initiatives formulated by the Government of Ontario, and by researching best practices in other jurisdictions.

### ***Soliciting stakeholder input on energy issues***

For emerging issues affecting Ontario's energy landscape, the OEB consults widely with stakeholders in the natural gas and electricity sectors, as well as other interested groups and associations, to ensure that we understand the issues, concerns and priorities of those we serve and regulate. Such input helps the OEB develop strategies to address key challenges and opportunities.

### ***Reporting by the Market Surveillance Panel***

The OEB is responsible for the Market Surveillance Panel (MSP), formerly part of the Independent Electricity System Operator (IESO). The MSP monitors the wholesale electricity market for efficiency and abuse of market power and makes recommendations regarding redesign of the market. When the MSP makes a report recommending action related to market power, the OEB may conduct a review to determine whether market rules or licenses should be amended.

### ***Developing codes, rules and guidelines***

The OEB may develop new codes, rules or non-binding guidelines – or amend existing ones – as a result of developments in government policy or legislation or issues identified through OEB monitoring, compliance and policy activities.

# UNDERSTANDING THE ADJUDICATION PROCESS

The OEB follows an adjudicative process when reviewing applications filed with us by any party seeking an approval under the *Ontario Energy Board Act, 1998*. Decisions are based on the evidence presented by the applicant and by other affected parties.

The OEB is required by law to hold public hearings for applications made to the Board and is responsible for balancing the interests of all stakeholders. Public hearings allow regulated entities (“applicants”) to outline their needs, or make their case, and for individuals or groups with concerns to have a voice in the hearing process.

## The Adjudication Process

Input	Output
<ul style="list-style-type: none"><li>- Information collection</li><li>- Information processing</li></ul>	<ul style="list-style-type: none"><li>- Response to applications made by regulated entities</li><li>- Interrogatories, submission of evidence</li><li>- Oral hearings - witness cross-examination</li><li>- Public notices</li><li>- Decisions based on evidence presented</li></ul>

## When is OEB approval required?

Under provincial law, regulated entities are required to make an application to the OEB to undertake a variety of activities. Refer to the chart “What requires OEB approval?” on page 12 for examples.

We assess applications based on various factors. For example, when reviewing applications for natural gas pipeline construction, the OEB considers whether the proposal is in the public interest by reviewing need, safety, economic feasibility, community benefits, security of supply and environmental impact. On an electricity transmission project, the OEB examines the effect on consumers with respect to prices, reliability and quality of electricity service. The OEB does not have authority to review or approve environmental issues related to electricity transmission since that is a responsibility of the Ontario Ministry of the Environment.

## How are public hearings conducted?

Hearings are conducted in a court-like manner, but are not as formal as a court of law. Our objective: rendering a decision, after reviewing all the information and facts presented. The following parties can participate in public hearings: 1) the applicant; 2) the public – in an “intervenor” and/or “observer” capacity; and 3) the OEB (staff).

## What requires OEB approval?

	Electricity Sector	Gas Sector
<b>Licences</b>	A licence from the OEB is required for most participants in the electricity sector.	Gas marketers selling to low-volume consumers need a licence from the OEB.
<b>Delivery Rates</b>	The law requires that the OEB approve rates to be charged for the distribution and transmission (the “delivery”) of electricity and natural gas.	
<b>Commodity Prices</b>	The OEB sets commodity prices quarterly for regulated entities in the natural gas sector and bi-annually for regulated entities in the electricity sector.	
<b>Facilities Construction</b>	OEB approval is required to construct or reinforce transmission lines that are more than 2 km in length or to expand a transmission line by more than 2 km.	OEB approval is required to construct a major hydrocarbon line. OEB approval, in the form of a Certificate of Public Convenience and Necessity, is also required to construct any works to supply gas in a municipality that is not currently served by the utility.
<b>Storage Facilities</b>	N/A	Natural gas may be injected into a geological formation in Ontario for storage purposes only where the area is designated by the OEB. The OEB also determines the compensation payable to land owners where storage pools are situated if the parties cannot agree among themselves.
<b>Franchise Agreements</b>	N/A	Each municipality may grant a gas utility the right to distribute gas within its border. The specific terms and conditions of this right require OEB approval.
<b>Ownership Changes</b>	<p>A transmitter or distributor must obtain approval from the OEB:</p> <ul style="list-style-type: none"> <li>• to sell, lease or dispose of its system;</li> <li>• to amalgamate with another company; and</li> <li>• when any person wishes to acquire or hold more than 20% of the voting securities of an electrical utility or where a person wishes to obtain control of any corporation that owns more than 20% of the voting securities of an electrical utility if such voting securities are a significant asset of that corporation.</li> </ul>	<p>A natural gas utility must obtain approval from the OEB:</p> <ul style="list-style-type: none"> <li>• to sell, lease or dispose of its system;</li> <li>• to amalgamate with another company; and</li> <li>• when any person wishes to acquire or hold more than 20% of the voting securities of a natural gas utility or where a person wishes to obtain control of any corporation that owns more than 20% of the voting securities of a gas utility if such voting securities are a significant asset of that corporation.</li> </ul>

## How can the public participate?

Public hearings enable individuals or groups who may be affected by the OEB's ruling to express their views and participate in the decision-making process. In most cases, when an application is received by the Board, the applicant is required to provide public notice of the application in a newspaper or by directly serving a copy to affected parties. The public can then apply to participate in various ways.

### ***Intervenors***

These are interested groups or individuals who actively participate in the hearing. Intervenors may include consumers, consumer and trade associations, environmental groups, public interest groups and affected individuals.

Anyone intending to intervene in the proceeding, by submitting evidence, arguments or interrogatories (written questions) or by cross-examining a witness or witnesses at an oral hearing, must file a letter of intervention with the OEB and serve a copy to the applicant.

### ***Observers***

Interested groups or individuals who do not want to actively participate in the proceeding but who wish to monitor its progress by obtaining documents issued by the OEB may file a request to receive observer status in the proceeding.

### ***Written comments***

Without becoming intervenors, individuals or groups may submit written comments to the OEB pertaining to the proceeding. All such letters become part of the public record in the proceeding and a copy will be provided to the hearing panel as well as the applicant. A letter of comment is not sworn evidence and is not subject to cross-examination.

### ***Oral comments***

Comments at the oral proceeding can be arranged by the OEB Board Secretary, who will advise of a date and time for the comment to be heard before the Hearing Panel. We may determine whether a person who makes an oral presentation shall do so under oath or affirmation and be subject to cross-examination by the parties to the proceeding. Those who provide oral or written comments will not be granted intervenor status and will not automatically be given any of the pre-filed evidence or allowed to cross-examine witnesses.

## **What are the rights of applicants and stakeholders?**

Applicants and stakeholders are entitled to:

### **1. the right to be heard:**

- the OEB must deal with all applications that are within its mandate; and
- the OEB must allow all parties with legitimate direct interests to participate.

### **2. the right to know the case:**




- all parties must receive adequate notice; and
- all parties must receive all information on which the decision is to be based.

### **3. the right to have the decision made by persons who have heard the evidence:**

- nobody except panel members may make the decision.

## How long does an application take to adjudicate/process in full?

The duration of this process – from the time an application is filed to the time a decision is rendered and communicated by the OEB – varies depending on the type and complexity of application being made. See the following chart for examples of timelines, as well as the typical steps involved in processing applications.

<p><b>Step 1</b></p> <ul style="list-style-type: none"> <li>• Applicant files an application with OEB.*</li> <li>* <i>Specific application guidelines can be downloaded from the OEB's website.</i></li> </ul> <p><b>Step 2</b></p> <ul style="list-style-type: none"> <li>• OEB receives application and supporting evidence from the applicant, reviews the information and confirms the application is complete.</li> </ul> <p><b>Step 3</b></p> <ul style="list-style-type: none"> <li>• A Notice of Application or a Notice of Public Hearing is published in newspapers, posted on the OEB's website or served on individuals. Such notices outline the subject matter to be determined at the hearing, whether the proceeding will be written or oral, and the steps required to participate in the proceeding.</li> </ul> <p><b>Step 4</b></p> <ul style="list-style-type: none"> <li>• A series of procedures and hearings are arranged and held to review all submitted evidence. Variation in procedures depends upon whether it is an oral or written hearing.</li> </ul> <p><b>Step 5</b></p> <ul style="list-style-type: none"> <li>• Decision is rendered and communicated.</li> </ul>	<p><b>EXAMPLE A</b></p> <p>Licence Application, written hearing</p>  <p>90 DAYS</p>	<p><b>EXAMPLE B</b></p> <p>Rate Application, with oral hearing</p>  <p>235 DAYS</p>	<p><b>EXAMPLE C</b></p> <p>Leave to Construct Application, with oral hearing</p>  <p>210 DAYS</p>

# INSIDE THE OEB: WHO DOES WHAT?

As your energy regulator, we want your experience with us to be as straightforward and efficient as possible.

Since dealing with any regulatory body can be a daunting task, below is a brief look at our organizational structure to help you navigate the OEB and determine who does what.

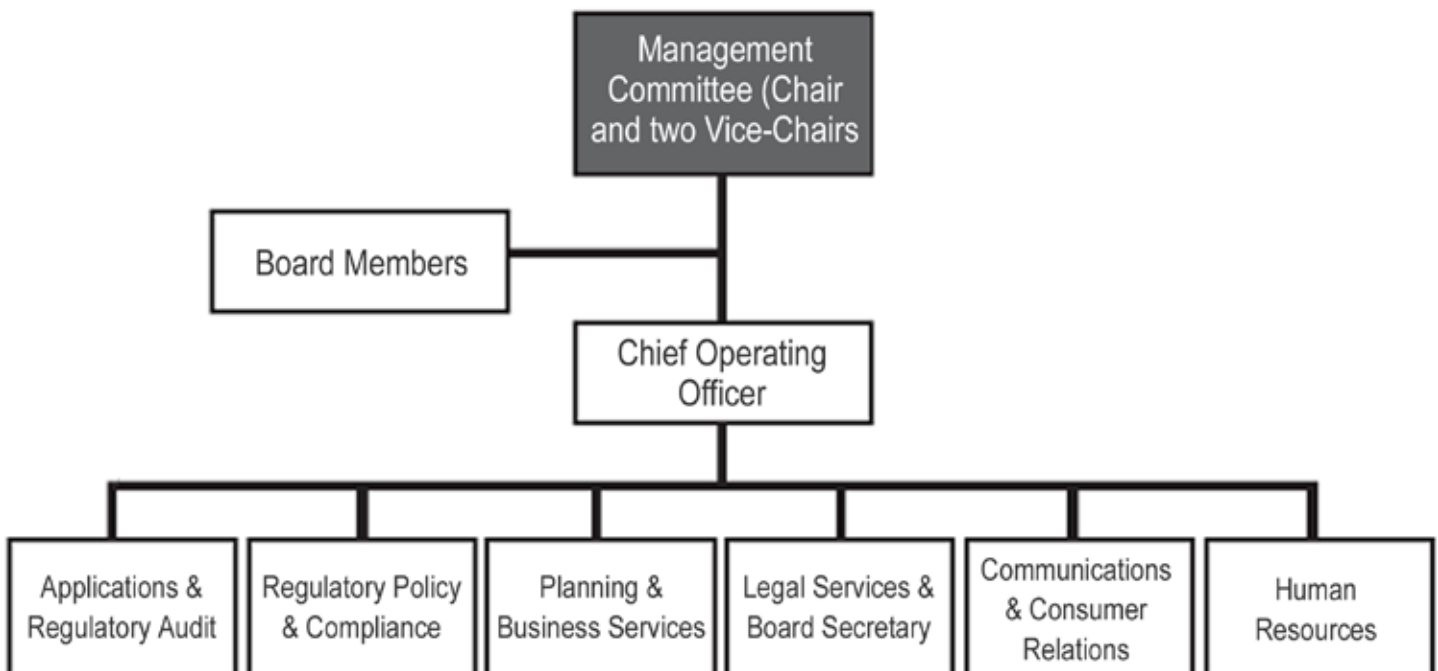
The OEB consists of Board members and staff:

## 1. Board Members

The OEB has full- and part-time Board members who are appointed by the Lieutenant Governor in Council for an initial term of up to two years and renewable for a term of up to five years. The Chair and two Vice-Chairs are responsible for overseeing the management and operations of the OEB. They make up the Management Committee.

## 2. Staff / Business Areas

The OEB is structured into six main business areas: Regulatory Policy & Compliance, Planning & Business Services, Applications & Regulatory Audit, Legal Services & Board Secretary, Communications & Consumer Relations, and Human Resources.



## OEB main business areas

	<b>Applications &amp; Regulatory Audit</b>	<b>Planning &amp; Business Services</b>	<b>Regulatory Policy &amp; Compliance</b>
<b>Role</b>	Manages all applications from energy market participants and rate regulated utilities regarding rates, facilities expansion, licenses and changes in utility ownership. Conducts audits of regulated entities and collects reporting information	Provides financial, IT and administrative support services to the Board	Provides strategic regulatory planning and policy formulation
<b>Functions</b>	<p><b>Applications Group</b></p> <ul style="list-style-type: none"> <li>• Reviews, processes and advises on applications for rates, acquisitions, dispositions, facilities approvals and licence applications</li> </ul> <p><b>Audit Group</b></p> <ul style="list-style-type: none"> <li>• Monitors ongoing financial operating performance of natural gas and electrical utilities</li> <li>• Assists stakeholders with regulatory issues</li> </ul>	<p><b>Business Services &amp; Planning Group</b></p> <ul style="list-style-type: none"> <li>• Provides business support services, including budgeting, financial accounting, facilities management and procurement activities</li> </ul> <p><b>Information Technology Group</b></p> <ul style="list-style-type: none"> <li>• Manages and delivers office automation and technology-related services including electronic applications, security, telecommunications support, etc.</li> </ul>	<p><b>Regulatory Policy Development Group</b></p> <ul style="list-style-type: none"> <li>• Researches current and emerging issues</li> <li>• Holds public consultations on key policy issues</li> <li>• Develops and amends codes and rules</li> <li>• Liaises with utilities, other stakeholders and regulatory and energy bodies outside Ontario</li> </ul> <p><b>Compliance Office</b></p> <ul style="list-style-type: none"> <li>• Ensures compliance with OEB licences, rules, codes and legislation</li> <li>• Advises on market efficiency and market power mitigation measures</li> <li>• Leads the enforcement function</li> </ul>

## OEB main business areas

	<b>Legal Services &amp; Board Secretary</b>	<b>Communications &amp; Consumer Relations</b>	<b>Human Resources</b>
<b>Role</b>	Provides legal advice on all aspects of the Board's authority and responsibilities	Provides strategic communications planning and manages external communications  Develops consumer information material and operates consumer resource centre	Provides strategic direction with respect to human resource initiatives and activities within the Board, including strategic planning and policy formulation
<b>Functions</b>	<p><b>Legal Services</b></p> <ul style="list-style-type: none"> <li>• Advises on appeals and judicial reviews, legislation, administrative law and corporate matters including conflicts of interest</li> <li>• Acts as counsel to the Board in hearings</li> </ul> <p><b>Board Secretary</b></p> <ul style="list-style-type: none"> <li>• Performs all hearings related and registrar functions (e.g., logistics for hearings, maintaining the public record, issuing regulatory documents)</li> <li>• Provides case administration services to assist hearing panels and regulatory staff process cases</li> <li>• Manages the Information Resources Centre and Public File Room</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic communications planning and advice</li> <li>• Stakeholder and media relations</li> <li>• Website management</li> <li>• Internal communications</li> <li>• Correspondence management</li> <li>• Consumer information and Consumer Relations Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• Performance management</li> <li>• Benefit administration</li> <li>• Recruitment and selection</li> <li>• Employee relations</li> <li>• Labour relations</li> <li>• Health and safety</li> </ul>

# REFERENCE DOCUMENTS

The OEB's jurisdiction is found in our enabling legislation and other provincial statutes. All of the following documents can be accessed through the OEB's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca).

## Statutes

### ***Ontario Energy Board Act, 1998***

- Outlines the mandate of the OEB with respect to electricity and natural gas regulation.

### ***Statutory Powers Procedure Act***

- Governs the OEB's processes in conjunction with the *OEB Act, 1998* and our Rules of Practice and Procedure.

### ***Electricity Act, 1998***

- Outlines the framework for Ontario's electricity marketplace.

### ***Municipal Franchises Act***

- Provides for the granting of a franchise to a natural gas distributor to provide natural gas within a municipality.

## Board Issued Codes and Rules

A number of codes and rules have been established by the OEB, which set out standards of conduct and required practices for regulated entities.

### **Electricity sector:**

#### **Affiliate Relationships Code for Electricity Distributors and Transmitters**

- Sets out the standards and conditions for the interaction between electricity distributors and transmitters and their respective affiliated companies.

#### **Distribution System Code**

- Sets out the minimum obligations that a licensed electricity distributor must meet in carrying out its obligations to distribute electricity within its service area under its licence.

#### **Electricity Retailer Code of Conduct**

- Sets out the minimum standards under which a licensed electricity retailer may retail electricity.

#### **Retail Settlement Code**

- Sets out the minimum obligations that an electricity distributor and retailer must meet in determining the financial settlement costs of electricity retailers and consumers in facilitating service transaction requests where a competitive retailer provides service to a consumer.

### **Smart Sub-Metering Code**

- Sets out the minimum conditions and standards that a licensed smart sub-metering provider must meet when providing smart sub-metering services on behalf of exempt distributors.

### **Standard Supply Service Code**

- Sets out the rules that govern the conduct of Ontario electricity distributors in the provision of electricity to consumers connected to their distribution system.

### **Transmission System Code**

- Sets out the minimum standards that an electricity transmitter must meet in designing, constructing, managing and operating its transmission system. The code also sets out the requirements, standards, terms and conditions of a transmitter's obligations to connect consumers to the transmission system, including performance standards, technical requirements and expansions and connections.

### **Uniform System of Accounts**

- Sets out the accounts and their definitions to be used in classifying accounting information for reporting to the OEB.

## **Natural gas sector:**

### **Affiliate Relationships Code for Gas Utilities**

- Sets out the standards and conditions for the interaction between gas distributors, transmitters and storage companies and their respective affiliated companies.

### **Code of Conduct for Gas Marketers**

- Sets out the minimum standards under which a licensed gas marketer may market natural gas.

### **Gas Distribution Access Rule**

- Establishes conditions of access to gas distribution services provided by a gas distributor and sets out rules governing the conduct of gas distributors toward gas vendors, including gas marketers.

# GLOSSARY

## **Adjudication Process**

The process of reviewing an application and pronouncing judgment based on the evidence.

## **Commodity Cost**

The cost of the actual electricity or natural gas consumed, before any delivery or transmission charges.

## **Distributors**

Distribution companies take power from high-voltage transmission lines, “step-down” the electricity to a low-voltage level and provide it to local consumers. The distribution system delivers electricity or gas in a given geographic area and usually involves some form of legal monopoly over services in that geographic area

## **Economic Regulation**

Regulation that is designed to act as a substitute for economic forces in a marketplace that is not fully competitive (i.e., where entities are not subject to fully competitive forces).

## **Electric Utility**

An electric power company that operates a power transmission and distribution system and has the legal right to deliver electric power in a given geographic area. Usually involves some form of legal monopoly over electric services in the geographic area.

## **Generator**

Generators produce the electricity that we use. The majority of Ontario’s electricity is produced by Ontario Power Generation, a successor company to the former Ontario Hydro, and the Bruce nuclear station. Other smaller generators are generally renewable energy plants (e.g., wind) and industrial facilities that produce power on-site for internal use.

## **Independent Electricity System Operator (IESO)**

Responsible for ensuring electricity system reliability and the detailed design and implementation of the spot market. The IESO acts as a system controller, forecasting how much electricity will be needed and telling generators how much power they can send in, and when, to the province’s transmission lines. The IESO also acts as the settlement agent for the wholesale spot market, collecting bills from distributors and direct consumers and paying generators and transmitters.

## **Intervenor**

An individual or group who wishes to participate in a public hearing held by the OEB and has been granted intervenor status. Intervenors may include consumers, consumer and trade associations, environmental groups, public interest groups and affected individuals.

Intervenors may, depending on the nature of the process, submit evidence, arguments or interrogatories (written questions) or cross-examine a witness at an oral hearing.

**Market Surveillance Panel (MSP)**

The function of the MSP is to monitor and report on the wholesale electricity market for efficiency and the abuse of market powers.

**Monopoly**

A market in which one company has exclusive possession or control of a commodity, product or service.

**Observer**

An individual or group who does not wish to participate in a public hearing held by the OEB but who wishes to monitor the progress of the proceeding by obtaining documents issued by the OEB.

**Public Hearing**

The OEB operates as an adjudicative tribunal and carries out many of its regulatory functions in proceedings through oral or written public hearings. These provide a forum for individuals or groups who may be affected by the OEB's ruling to express their views to the OEB and to participate meaningfully in the decision-making process.

**Regulatory Instruments**

Rules, codes, guidelines and handbooks are all examples of regulatory tools issued by the OEB to guide and regulate the conduct of market participants in the energy sector.

**Transmission**

Refers to the transmission of electricity over high-voltage transmission lines between the generating station and the local distribution area where the electricity is to be used. Hydro One, a successor company of the former Ontario Hydro, owns and operates most of the transmission lines in Ontario.

## For industry stakeholders

[Market.Operations@oeb.gov.on.ca](mailto:Market.Operations@oeb.gov.on.ca)

Information line: (416) 440-7604

[www.oeb.gov.on.ca](http://www.oeb.gov.on.ca)

Seeking clarification of a rule or code? Unsure whom to contact on a specific regulatory issue? Want to report an allegation of non-compliance? The above information line and email were set up to be your central point of contact. You will receive an initial response with an OEB reference number. Our goal is to provide an initial response no later than five business days after contact.

## For the general public

Consumer Relations Centre

T: 1-877-632-2727, (416) 314-2455

F: (416) 440-7656

[www.oeb.gov.on.ca](http://www.oeb.gov.on.ca)

## Mailing address

Ontario Energy Board

P.O. Box 2319

2300 Yonge Street, 27th floor

Toronto, ON M4P 1E4

*Ce document est aussi disponible en français.*