



Ontario Energy Board

Commission de l'énergie de l'Ontario

Proposed Grouping of Accounts in OEB Cost Allocation Informational Filing

April 25th, 2006

John Vrantsidis and Neil Yeung

Key Policy Objectives

- Reasonable disclosure is important to meet project goal of a transparent cost allocation review process
- But unnecessary disclosure of LDC account level information should be avoided



Key Modeling Objectives

Design philosophy of model:

- start off with 2006 EDR groupings as understood by stakeholders
- further subdivide each of the above groupings by the allocators adopted for the Board's approved cost allocation methodology



Model Instructions to LDCs

Design philosophy: full details to be inputted

- Step 1: LDC to provide adjusted accounting data (Source 2006 EDR - Sheet 2.4 Column P before Roll Up, adjusted to reflect Board's 2006 Rates Decision) as model input (except for Certain Asset Accounts)
- Step 2: LDC to break out specific accounts e.g. overhead distribution (bulk, primary and secondary) and depreciation expense (prorate back to individual assets)



Model Instructions

Design philosophy: model's operation will balance transparency and confidentiality

- Step 3: Model will aggregate above accounts (Steps 1 and 2) into groupings required for cost allocation purposes
- Step 4: Model will then hide Accounts entered in Step 1 and 2
- Step 5: Model will disclose groupings in Step 3



Individual Privacy

Accounts are mixture of salaries and expenses, so salary information of individual utility employees not expected to be evident



Illustrations

Account	Description	EDR Groupings	Allocators
Land and Buildings			
1805-2	Land Station <50 kV	Land and Buildings	DCP
1806-2	Land Rights Station <50 kV	Land and Buildings	DCP
1808-2	Buildings and Fixtures < 50 KV	Land and Buildings	DCP
1810-2	Leasehold Improvements <50 kV	Land and Buildings	DCP
1805	Land	Land and Buildings	DCP
1806	Land Rights	Land and Buildings	DCP
1808	Buildings and Fixtures	Land and Buildings	DCP
1810	Leasehold Improvements	Land and Buildings	DCP
1805-1	Land Station >50 kV	Land and Buildings	TCP
1806-1	Land Rights Station >50 kV	Land and Buildings	TCP
1808-1	Buildings and Fixtures > 50 kV	Land and Buildings	TCP
1810-1	Leasehold Improvements >50 kV	Land and Buildings	TCP
1905	Land	Land and Buildings	RB
1906	Land Rights	Land and Buildings	RB

