



OEB COST ALLOCATION REVIEW

Informational Filing Model Outputs

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OEB Filing Model Development

Development of new OEB Filing model to start in January 2006

Project Staff and consultants will seek broad external and internal input

- for example, what worked well from 2006 EDR process and should be repeated
- how can OEB model be organized so that flow is easy to follow and output is readily understandable

Standard Filing Model Outputs

- It is proposed that use of new filing model be made mandatory, unless exemption required for technical reasons (e.g. many additional rate classifications)
 - But even where the use of own informational filing model is allowed, Staff propose that the content and the presentation of the output must be the same as the Board's model
[see Handout for illustrative outputs]

Key Model Outputs: Cost Allocation Review

- 1) Revenue-to-Cost ratios for each rate class or subclass (to be finalized)
- 2) Rate of return on rate base for each rate class or subclass (to be finalized)

Key Model Outputs: Rate Design Review

- For each rate class or subclass:
 - 1) Cost-based fixed monthly customer charge floor
 - 2) Cost-based fixed monthly customer charge ceiling

Key Model Outputs: Potential Rate Classifications Changes

- For some/all proposed rate classifications, model may be rerun to explicitly document “before” versus “after” results
- Each time or in totality (to be determined)

Other Model Outputs: Voltage-Differentiated Costs

It is proposed the filing model will group and report on unit costs of distribution assets by voltage level (subtransmission v primary v secondary) where applicable

- Implementation of new rate classifications based on voltages is not on present agenda (parties could use the results to later advance such a case)

Other Filing Model outputs: to be discussed

The informational filing model may include other data that will assist the Board and stakeholders on a variety of topics, such as:

- cost-basis for existing stand-by rates classifications
- grouping of costs into “functions” to assist users

Supplementary Filing Information

- It is proposed that the filings will include supplemental questions to gather other relevant information to assist future policy discussions, such as:
 - technical background information to assist future discussion for a potential new GS Intermediate classification
 - background information on Wholesale Market Participants, numbers, types and costs