



OEB COST ALLOCATION REVIEW

Unmetered Scattered Load - Rate Classification

Pascale Duguay

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Background

- Staff recommended that the “2006 EDR Interim Solution” be replaced by a full cost-justified methodology
- Staff specifically recommended that all distributors set up a separate rate classification for unmetered scattered loads as part of their informational filings
 - Allow the OEB to review the results and decide if a new common scattered rate classification should be established

Defining Unmetered Scattered Load

- 2006 EDR: group of accounts that are not specifically metered
- The current known applications include: bus shelters, phone booths, CATV power supplies, traffic lighting and traffic control equipment, billboard lighting, etc.
- Common definition of what applications should be appropriately classified as unmetered scattered loads should be established
 - Development of criteria

Proposed Criteria

- Generally accepted proposed criteria:
 - The demand and energy usage of the connection should be predictable, and stable over time
 - The factors that impact the level of demand and energy usage of the connections are known and their effects are quantifiable
 - The installation and maintenance of a meter is not cost effective
- If an application does not meet all of the above criteria, the load should be metered and re-classified as GS

Proposed Criteria (cont'd)

- Remaining issues:
 - Is a criteria-based approach appropriate
 - How to implement the criteria (application review process):
 - ✓ Utility specific
 - ✓ Broader industry initiative (e.g. Phase 3 or separate process)
 - When to implement the criteria (informational filings or rate application)
 - Load estimation and load profiles (Phase 3)

Proposed Criteria (cont'd)

- Differing views on whether a maximum demand and energy usage should be set (e.g. capped)
 - Pros:
 - ✓ Reduces exposure to load estimation error
 - ✓ Intertwined with assessing the cost effectiveness of installing and maintaining a meter
 - Cons:
 - ✓ No example of a cap elsewhere presented
 - ✓ Need and level of cap not well documented
 - ✓ Several connections could end up being metered

Rate Classification

- Applications reasonably classified as unmetered scattered loads include:
 - Photo controlled
 - “Flat” profiles (e.g. CATV power supplies, cathodic protection equipment)
- Team suggested that:
 - Grouping of these applications would result in a heterogeneous group
 - Photo controlled applications are similar to sentinel and street lighting

Rate Classification (cont'd)

- Proposal:
 - Include photo controlled applications in the Sentinel Lighting rate class
 - Flat unmetered scattered loads as a sub-group of GS 50 kW or as a separate group
 - Separate group approach:
 - ✓ No diversity would be allocated to this group
 - ✓ Flat approach would require load data
 - ✓ Impact on Retail Transmission Charges
 - Model will need to be run twice – with and without proposed rate classification

Monitoring

- Technology change and miscommunication issues were raised in the context of cost allocation and billing
- General agreement by LDCs and customers that appropriate and cost effective monitoring measures can be used to reduce the probability of significant under or over billing
- Monitoring information would also be useful for load estimation and load profiling (e.g. Newmarket decided to meter most applications overtime)
- Decision on monitoring requirements is out of scope for this review. Staff to pass on comments internally