



OEB COST ALLOCATION REVIEW

Wholesale Market Participants

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Background

Advisory Team raised this as a potential new issue (see Background Handout):

- How many Embedded Wholesale Market Participant customers are there?
- Is there a material difference in costs to serve a utility customer that is a Wholesale Market Participant?
- Impact on business decision-making also raised

Supplemental Filing Questions

Staff propose to gather further information on the topic in the upcoming filings (see below)

- Following review, Board and parties can discuss if the issue is material enough to warrant an allowance in rates

Note: Rate design simplicity will also be considered

Q1) Identification of Relevant Customers

Proposed question:

“Please identify the type(s) and numbers of Market Participants in your service territory, such as Load-side Market Participants, Embedded LDCs, Direct Customers and Generators”

Q2) Difference in Costs

Proposed question:

“Please compare and identify the material differences in the cost components of billing Wholesale Market Participants versus other customers in the same class?”

Q3) Other Key Information

Proposed Question:

“Please provide details of your policy on contributed capital for Wholesale Market Participants in respect of lines, transformers, meters, protection equipment, etc.”