

PBR Rates Task Force

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April 27, 1999

Cost Tracking

Transmission & IMO charges

Core distribution costs

Distribution losses

Meter installation and capital

Meter reading

Billing and collecting

Fringe services - water heaters

Rate Structure Evaluation Factors

Ease of implementation

Encourage efficient use of facilities

Ease of understanding

Stability in rates and revenue

Minimizes cross subsidies

Minimizes rate shock

Promotes competition

Non-discriminatory

Losses

**Recovered from a % uplift on energy cos
Loss factor shown on bill along with aver
spot price.**

**Loss factor the same for a customer class
LDC could submit proposal to OEB to
establish varying loss levels for difference
geography, voltage, load profile, etc..**

Distribution Rate Structures

Metering, Billing and Collecting recovered through a flat charge.

Core distribution cost:

- a) Minimum system costs recovered by a flat rate or kWh charge**
- b) Remaining costs on kWh charge**

If demand meter, recover core costs by measured demand.

Transmission and IMO pass thru

Transmission and IMO shown together but as a separate item on the bill.

Demand metered, costs recovered based on demand charge.

kWh metered, a per kWh charge based on imputed demand of the class.

LDC needs to develop rate and have a true-up process at year end.

Customer with kWh meter

Monthly Service Charge	\$1
Transmission Charge (900 kWh x \$0.0117)	\$1
Distribution Charge (900 kWh x \$0.011)	\$
Energy Charge (900 kWh x 1.031 x \$0.038)	\$3
Total	\$7

Customer with demand meter

Monthly Service Charge	\$17
Transmission Charge (152kWx\$4.20)	\$638
Distribution Charge (152kWx\$5.80)	\$881
Energy Charge (65040 kWh x 1.031 x \$0.038)	\$2,548
Total	\$4,085

Customer with interval meter

Monthly Service Charge	\$1
Transmission Charge (152 kW x \$4.20)	\$63
Distribution Charge (152 kW x \$5.80)	\$88
Energy Charge (\$2,406.48 x 1.031)	\$2,48
Total	\$4,02

Next Steps - Timeline

April 30th: Task force reviews draft rate handbook
June: Draft rate handbook submit for 3 month public consultation

November: Rate handbook finalized

May 2000: Large MEUs must submit PBR proposal with unbundled rates

August 2000: Same applies to medium and small MEUs