

VECC INTERROGATORY #15

INTERROGATORY

Reference: The Report, page 3, lines 4-14

Preamble: “distribution customers that want different metering technology”

- a) Who should be responsible for the paying the costs associated with any redundant or stranded meters, e.g., the customers wanting the new metering technology, the customers of the incumbent distributor, the shareholders of the incumbent utility or the shareholders of the new distributor?

RESPONSE

Section 5.1.5 of the Distribution System Code allows distributors to recover all of the costs associated with a meter change to be recovered from the customer. It states:

“The customer that requests interval metering shall compensate a distributor for all incremental costs associated with that meter, including the capital cost of the interval meter, installation costs associated with the interval meter, ongoing maintenance (including allowance for meter failure), verification and reverification of the meter, installation and ongoing provision of communication line or communication link with the customer’s meter, and cost of metering made redundant by the customer requesting interval metering.”

As a consequence, it is likely that the cost of obtaining an hourly interval meter from the incumbent distributor will be an impediment to opting for a retail offering that includes some form of time-of-use or real-time pricing.

It would be in the public interest to minimize barriers to the development and implementation of retail options that improve consumption efficiency. It may therefore be appropriate to include in the concept of underserved, situations where the customer is economically underserved, as suggested in the Report.

