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Ontario

November 10, 2003

To: All Licensed Electricity Distribution Companies

Re: Load Data Collection Directions, RP-2003-0228

The Electricity Distribution Rates Handbook (see paragraph 1.4) states: "Prior to the implementation of 2nd generation PBR the Board will require utilities to develop cost allocation studies that reflect … current load profiles of the various rate groups".

The Ontario Energy Board's (the "Board's") correspondence of October 22, 2002 announced the formation of a Cost Allocation Working Group (the "Working Group") and enclosed a preliminary issues list for the cost allocations consultations. The Working Group was suspended after the introduction of Bill 210, but the Board's correspondence of March 14, 2003 announced the reactivation of the cost allocation consultations. The Board would like to thank the parties for their helpful participation.

The First Report of the Cost Allocation Working Group (the "Report") was issued on September 23, 2003 (copy available on the Board's web site). The body of the Report deals with general principles pertaining to updated load data. An Appendix contains a specific Province-wide joint load data collection proposal from over 40 distributors ("the Ontario Load Data Research Group") serving the majority of Ontario customers.

The Working Group's Report focused on the collection of appropriate load data for use in the cost allocation studies that will be part of the applications anticipated to be filed in 2005 in respect of 2006 rates. The updated load data will be used when a distributor allocates demand-related distribution costs amongst its rate classes. While the load data may eventually prove useful in other ways as well, these directions deal only with its use for cost allocation.

Upon release of the Report, stakeholders' written comments were invited by the Board. Written comments were received from the Upper Canada Energy Alliance, Hydro One, and Guelph Hydro Electric Systems Inc., all of whom were represented on the Working Group. The Board notes the lengthy comments from Guelph Hydro included several areas of disagreement from the Report's recommendations, although Guelph Hydro did not dissent when the Report was being finalized by the Working Group.

Additional written comments were received from Whitby Hydro Energy Services Corporation, an affiliate of a distributor (Whitby) represented on the Working Group. Rogers Cable TV also provided written comments on the Report (which were in addition to a written submission forwarded to the Working Group during the course of the consultations).

The Board has carefully considered the various recommendations and comments. The attached load data collection Directions review each specific technical issue examined by the Working Group, summarize the Group's recommendation and any subsequent comments received, and provide the Board's direction on the matter.

Part A of the attached load data collection Directions are applicable to all electricity distributors in the Province (including members of the Ontario Load Data Research Group).

Part B contains the Board's positive response to a specific Province-wide joint load data collection initiative proposed by the Ontario Load Data Research Group.

A Board letter to the Ontario Load Data Research Group, dated simultaneously with these Directions, is posted on the Board's web site (see "What's New"). The letter examines the issue of sharing load data among members of the Ontario Load Data Research Group for purposes of completing the required cost allocation studies, and it concludes that the proposed methodology is consistent with the terms of distributors' new licences. Subsequent sharing of the data collected by the Ontario Load Data Research Group with other distributors, for the purposes of the latter completing their cost allocation studies, is also consistent with the terms of distributors' licences.

The Directions set out below are issued by the Board pursuant to section 21.(1) of the *Ontario Energy Board Act, 1998* which provides that "the Board may at any time and on its own motion and without a hearing give directions or require the preparation of evidence incidental to the exercise of the powers conferred upon the Board by this of any other Act".

Staff will be instructed to prepare a standardized filing procedure for 2006 rate applications on the assumption that the cost of service filings will use load data collected as directed below. The applications will be required to highlight if the load data filed was not collected under the conditions and standards set out in the attached Directions. Any distributor seeking to depart from the common load data collection procedures will be required to provide a full explanation of the circumstances justifying the request.

Distributors planning to apply for a new rate class in their 2006 rates application should follow the Directions to determine what load data must be filed in support of such a request. The Board will decide at that distributor's hearing whether implementation of a new rate class is appropriate.

Although the present Directions will not deal with financial data issues, distributors should also be considering what financial data will be needed to support current or planned rate classes when the cost allocation studies are undertaken.

Other Recommendations by Working Group

The Report dealt with several other matters, which the Board has reviewed and responds as follows:

Average v. Marginal Cost

The Working Group was asked to assess the merits of an average versus a marginal cost approach to undertaking the upcoming cost allocation studies. The Group recommended use of an average ("embedded") cost approach (as has been followed by Ontario natural gas distributors). Early resolution of this issue is needed, as it may impact the precise type of data to be collected by distributors.

The Board accepts the Working Group's recommendation. The cost allocation instructions to be issued by the Board will be based on an embedded/average cost approach.

The Board emphasizes that the above does not preclude an examination, at the rate design stage, on the role that might be played by marginal pricing principles.

Demand Allocator

The original issues list asked the Working Group to examine the merits of alternative demand allocators (such as non-coincident peak v. coincident peak), and the Report contained specific recommendations in this regard.

The Working Group noted that if 12 consecutive months of interval load data is collected, then the resulting load data will be comprehensive enough to support future use of a variety of demand allocators. The Board cautions stakeholders not to assume that the eventual Ontario cost allocation instructions will use a single demand allocator, as the Report indicates it is common practice to use different allocators for specific costs. In light of this, and the importance of this issue to a wide variety of stakeholders, the Board defers a decision on the demand allocator(s) to a later date.

Load Data Case Study

The Report indicated that Hydro One Brampton Inc. may be willing to act as a case study in which existing Province-wide load data would be used, along with other information, to produce distributor-specific load profiles. The case study would illustrate the methodology that the Ontario Load Data Research Group will use to produce new distributor-specific load profiles.

Given that the above methodology could be of wide interest, Board staff will be directed to review whether facilitating such a case study during stakeholder consultations is feasible.

Ontario Centre of Excellence for Load Data Research

The Working Group suggested that public authorities assist in the establishment of an Ontario Centre of Excellence to organize future load research on a variety of potentially useful topics in this jurisdiction.

The Board notes this suggestion. This matter will be further considered in due course.

Cost Allocation Financial Case Studies

The Working Group suggested that three cost allocation financial case studies be undertaken. The Board will not issue directions in this regard at present, as it wishes to focus on the immediate load data collection issues.

The Board understands the value stakeholders place on such case studies. After the Report was released, several other distributors also commented that case studies will prove invaluable in clarifying what financial data is needed to implement various options (for example, there was a concern many distributors will not be collecting the financial data needed to allow introduction of voltage based rates), and can provide an opportunity to address differences in understanding how to interpret the present system of accounts.

There are a number of related issues that need to be considered as well (such as what model to use). The Board will instruct staff to consider and advise on how some form of case studies could be incorporated into the agenda for the conclusions of the cost allocation consultations.

Stakeholders will be informed in due course about the next phase of the cost allocation consultations.

For inquiries about the cost allocation project, please contact John Vrantsidis at 416-440-8122 or vrantsjo@oeb.gov.on.ca.

Paul B. Pudge
Assistant Board Secretary

BOARD LOAD DATA COLLECTION DIRECTIONS

A) General Load Data Collection Directions

The Board hereby issues the following Directions to all Ontario electricity distributors regarding the upcoming collection of load data.

In these Directions, the term "rates classification" refers to both rate classes and subclasses (and any other rates grouping). As explained in paragraph 4.1.1 of the Electricity Distribution Rate Handbook, the current common rate classes consist of residential, general service, large use, street lighting and sentinel lights. The General Service class is divided into three subclasses: General Service less than 50 kW; General Service greater than 50 kW; and Intermediate (optional).

Issue 1) What type of load data should be collected?

To provide the full range of data that may be needed when subsequently completing the cost allocation studies, the Working Group recommended interval load data be collected. The Board agrees.

The written comments from Guelph Hydro raised the question of the appropriate time interval to be used. Considering the accuracy desirable for load data to be collected for cost allocation purposes, the Board directs that the interval shall be no longer than one hour.

Issue 2) For what length of time should the load data be collected?

The Working Group recommended that at least 12 months of load data be collected. The Board directs that 12 consecutive months of usable load data be collected.

Issue 3) In order to ensure reliability of the load data gathered, what sampling methodologies are appropriate?

The Working Group recommended that any of the statistically-verifiable sampling methodologies discussed in the leading North American reference in the load data research field (AEIC's Load Research Manual, 2nd Edition) be accepted for use in Ontario.

The Board accepts this recommendation.

The Working Group also recommended that each electricity distributor in the Province be required to produce a distributor-specific load profile that meets the standard North American target accuracy of plus or minus 10% at a 90% level of confidence.

The Board agrees with this recommendation.

The Board further suggests that Ontario electricity distributors may wish to agree upon a common sampling methodology, so that sharing of load data can be promoted. For example, the Board notes the Working Group Report recommended stratification of the residential rate class by end use (base load, electric heating, electric water heating, and air conditioning).

Written comments received from Guelph Hydro suggested there may be advantages to stratification based on consumption level. As indicated above, the Board will not mandate a particular stratification method, therefore any distributor may choose the sampling method that best suits its unique circumstances, provided the sample size chosen is adequate to meet the required accuracy target. The Board would caution that a distributor that does not plan to have comprehensive appliance saturation data, as described in the Report, may find that the province-wide sample size is inadequate to yield the target accuracy.

Issue 4) The Distribution Rate Handbook presently recommends "achieving economies where possible through joint development of load data" (para. 1.4). How can joint collection of load data be best implemented?

The information examined by the Working Group confirmed that a statistically-designed, Province-wide sampling program is the lowest cost method for all Ontario distributors to gather new reliable load data.

The Board accepts this recommendation. The Board expects that any acceptable joint Province-wide load data sampling program follow the following principles: 1) the distributors that will be collecting the data must be geographically representative of the Province; 2) the participating distributors should include both urban and rural distributors; and 3) the residential customers sampled must represent a variety of lifestyles and consumption patterns.

The Working Group also recommended that, as a matter of principle, any single distributor, or group of distributors, be allowed to conduct their own load data research program, provided the results for each distributor meet the accuracy target of plus or minus 10% at a 90% confidence level.

The Board agrees with the above recommendation and will not direct that all distributors join a particular joint load data collection initiative. The Board notes, however, it appears that economies of scale favour Ontario-wide load data collection. If a distributor wishes to collect load data entirely on its own, it should be prepared to explain the reasons for such a choice, and fully document the sampling methodology used. If it later seeks recovery from rates for the cost of load data collection, it should be prepared to defend the prudency of collecting load data on its own.

Issue 5) Is additional metering needed? Are there any practical constraints if additional metering is required?

a) Re Timing: The Working Group advised that it is not feasible to commence load data collection on January 1, 2004 (as originally targeted), given that the Working Group understands acquiring new meters can take up to 10 weeks, meter installation up to an additional 8 weeks, and meter testing a further period.

The Board is concerned that the later in 2004 the load data collection commences, the later in 2005 the cost of service studies will be ready. The Board notes that the number of new sampling meters to be purchased and installed by the industry will be greatly reduced because of the Board's decisions below to allow joint collection of load data, and to allow a residual estimate of the load profile of the General Service less than 50 kW class. The Board also notes that the Report cited literature suggesting a co-operative load research program, as planned for Ontario, could allow quicker progress as distributors share their experience.

After considering all circumstances, the Board directs that the collection of 12 consecutive months of usable load data commence no later than February 1, 2004.

The Board commends the industry co-operation evident to date on this project and trusts the same will continue in order that the 2006 rate applications can be filed and reviewed on a timely basis.

b) Re Costs: The Working Group advised that the total "out-of-pocket" cost of new load data collection includes interval meter acquisition, meter installation and meter reading. Costs may also be incurred for professional advice to design the load research program(s).

Overall, the Working Group believed it would be uneconomic to direct that each Ontario distributor must undertake its own "full blown" load research program.

The Board agrees with this recommendation and, as indicated above, will accept load data collected under an appropriate joint load data collection initiative.

Issue 6) *Data Validation and Editing.*

The Working Group recommended that distributors follow an industry generally-accepted procedure for data validation and editing.

The Working Group suggested that a specific example of an acceptable guide to data validation, estimation and editing is to be found in the IMO publication "Market Manual 5: Settlements" (see 5.2: Meter Data Processing).

The Board directs that distributors follow an industry generally-accepted procedure for data validation and editing. The procedures found in the above-noted IMO publication will be acceptable for this purpose.

Issue 7) Meter Accuracy.

The Working Group recommended that the individual customer metering to be installed for load data research purposes be within plus/minus 1% accuracy.

The Board accepts this recommendation.

It should be noted that the Board is not mandating the use of a Measurement Canada approved meter for load data collection purposes. As a practical matter, an interval sample meter should not be substituted for an approved billing meter, unless the interval meter chosen is also approved by Measurement Canada for billing.

Whitby Hydro Energy Services Corporation commented that there is a broad range of equipment options presently available from the various suppliers. The Board is not mandating use of a particular type or brand of interval metering equipment. Each distributor planning to install meters should make its own decisions.

Issue 8) Substation Metering.

The Working Group recommended that measuring the load profile at a transformer station or substation feeder (or by means of SCADA) could be used as a check on the reasonableness of the profiles derived from randomly-selected individual customers.

The Board agrees with the above recommendation and therefore expects that load data from a transformer, substation or SCADA can only be used to check the results of load data collected from statistically-verifiable interval metering of individual customers.

The Board believes that using system data in lieu of an adequate statistical sample, as effectively suggested by the Working Group members that dissented on this matter, could introduce an unacceptable margin of error into data that will be used to set rates.

Issue 9) Should the same load data collection rules apply to all Ontario electricity distributors?

The Working Group recommended that all cost allocation studies should be prepared with the same high quality load data. The Board accepts this recommendation and directs that all Ontario electricity distributors develop distributor-specific load profiles that meet the standard industry accuracy target of plus or minus 10% at a 90% confidence level. (As indicated elsewhere, it is permissible to follow a Province-wide approach to collecting the underlying data.)

Issue 10) Is it acceptable that the load profile of a rate classification be estimated as a residual?

The Working Group noted that the use of a residual estimate of a rate classification's load profile has been used in load data research studies in Ontario and elsewhere. A majority of the Working Group originally suggested that any rate classification could be chosen as the residual. However, the Report noted that those distributors joining in the planned Province-wide initiative had received technical advice to restrict use of the residual estimate to the most heterogeneous rate classification; namely, General Service customers with average monthly demand of less than 50 kW ("General Service<50 kW").

The Board believes the latter approach will generally lead to more reliable results and therefore directs that use of a residual estimate of a class load profile be acceptable for the General Service<50 kW classification only.

Issue 11) Relationship between load data to be collected and rate classifications.

The Working Group recommended that the present rate classifications be the starting point for designing the load research program and, as a result, each distributor should be considering what load data may be necessary for each of its current rate classifications.

The Working Group also recommended that if a distributor plans to introduce a new rate classification in its 2006 rates application, then it should be deciding now if additional load data is technically required for the new rate classification and, if so, how will such load data be obtained.

The Working Group understood that in a few special situations (see Issue 13 below), distributors will not have to take additional steps to install new sampling for a given or proposed rate classification (for example, if the class is already interval metered, or if the class does not have a distinct load profile).

The Board accepts the above recommendations and directs that, subject to the three exceptions noted below, updated reliable interval load data (gathered from either existing interval meters or newly installed interval sample meters) be collected for each rate classification (both current and new) a distributor plans to include in its 2006 rates application.

The Board also accepts that there are technically valid reasons to depart from the general requirement that separate load data be collected for each rate classification. In particular:

1) In some cases, a given rate classification may not have a significantly distinct load profile, and therefore the cost of service application will not require separate load data for that grouping (but appropriate load data from a broader rate classification will be used instead). For example, the Board agrees it can be reasonably assumed high- and low-

density customers do not have significantly distinct load profiles. But the Board believes seasonal customers may have a distinct load profile and agrees that separate load data be collected, as proposed by the Ontario Load Data Research Group.

2) The Board specifically authorizes the use of a residual estimate for the General Service less than 50 kW subclass.

3) Deemed load profiles will be acceptable for street lighting, sentinel lighting and miscellaneous scattered unmetered uses, although the Board may review the reasonability of the method by which the deemed load profile was determined and verified.

The Working Group Report raised questions about the interpretation to be given to the comments in a footnote to paragraph 1.4 of the Distribution Rates Handbook ("A rate class is a class derived from a cost allocation study. A rate group is an arbitrary sub-set of the rate class."). The Board has determined that these comments are not relevant to the load data collection Directions.

The Board notes that the Report addressed the load data needs of a wide range of rate classifications. If the Directions do not comment upon the treatment of a specific rate classification, the distributor will still be required to collect and file appropriate load data for that classification as part of its cost of service study.

Issue 12) Future Introduction of a new General Service Subclass.

The RP-2000-0069 decision (see paragraph 3.5.7) indicated that "the Board will initiate a review of the rate design for the general service class". Several distributors, during the consultations or when subsequently commenting upon the Report, asked that the merits of a new General Service subclass be explored further. The Working Group also asked for any comments on this matter that might enable it to fine-tune the Province-wide sample design.

There was no consensus on what kW boundaries should be used for any new General Service subclass. Some commented each individual distributor would be best placed to determine if and where a new General Service subclass should be created, and therefore imposing a Province-wide new General Service subclass should be avoided. In light of these concerns, the Board will proceed cautiously in this area.

The Working Group Report advised that, amongst the members of the Ontario Load Data Research Group, thousands of interval meters are presently in place in the General Service greater than 50 kW grouping. The load data available from these meters may well prove broad enough to assist in a future review of General Service subclasses, and specific Directions to organize the available interval load data in a potentially helpful manner are included in Part B.

The Board also notes that accompanying financial data would likely be necessary, if a new General Service subclass were introduced.

Issue 13) Rate classifications potentially not requiring new sample metering.

The Working Group believed that not every rate classification will require its own new sample metering. In particular:

a) Street lighting and sentinel lights

The Working Group recommended individual distributors use their approved street lighting hours of use when calculating a "deemed" street lighting load profile.

The Board accepts this recommendation and directs accordingly.

The Board further directs that in the forthcoming cost allocation studies, each distributor provide particulars on how its deemed street lighting profile was calculated (that is, describe both assumed hours of use and consumption).

The Working Group also recommended that it is reasonable to apply the deemed street lighting load profile to sentinel lights. The Board accepts this recommendation and directs accordingly.

b) Other unmetered scattered loads

The Working Group recommended that each distributor establish and verify a deemed load profile for scattered unmetered loads. The Board accepts this recommendation and notes the importance of verifying a reasonable deemed load profile. The Board directs that, in the upcoming cost allocation studies, each distributor should give full details as to how the deemed profiles for its various scattered unmetered uses were determined.

As a practical matter, it would be preferable that the customers responsible for the loads in question should be in agreement that the deemed load profile used is reasonable.

In this regard, the Board notes that Rogers Cable TV forwarded written comments stating it had co-operated with some distributors in conducting joint spot metering of 20-30 power supplies and the parties would agree the results would be used to establish a single average value for that distributor.

The Board suggests that the remaining distributors may wish to voluntarily determine a mutually satisfactory deemed load profile with Rogers Cable TV (and any other cable operator having the same concerns), using the above methodology.

The Board also suggests that, in order to address any customer concerns, distributors review and verify how the deemed load profiles of any other scattered unmetered loads are

determined. The Board will not make specific directions on this matter at this time. However, if any scattered unmetered customer remains unsatisfied with the deemed load profile applied by a given distributor, it can raise the matter at that distributor's rate hearing.

c) Low density rates and poly-phase rates

The Working Group noted that detailed cost data is required to support rate schedules that reflect differing customer density, and also to reflect three-phase versus single-phase service. But it understood that separate load data is not required in these situations because it is reasonable to believe that these rate classifications did not have significantly distinctive load profiles.

The Board accepts this recommendation, and will not direct that distributors file a separate load profile for low density rates or poly-phase rates. However, appropriate load data from the corresponding residential or general service class should be employed when completing the cost allocation studies.

d) Large Use Class

The Working Group assumed that all customers in a distributor's Large Use class are individually interval metered and therefore appropriate load data will be available. If this assumption proves incorrect for a particular distributor, the Board directs that distributor to take additional steps to develop the appropriate load data to support its cost allocation filing.

e) Intermediate Use

The Working Group assumed that all customers in a distributor's Intermediate Use subclass are individually interval metered and therefore appropriate load data will be available. If this assumption proves incorrect for a particular distributor, the Board directs that distributor to take additional steps to develop and file the appropriate load data to support its cost allocation study.

The Board further notes that while the Distribution Rates Handbook (see section 9.2) defines Intermediate Use as "individual customers whose monthly measured maximum demand (kW) averaged over the most recent 12 consecutive months is equal or greater than 3,000 kW", it appears distributors have in place approved Intermediate subclasses with a different boundary (as allowed under the former Ontario Hydro definition). In any review of General Service class rate design, the merits of a new definition of Intermediate Use may be examined.

f) Time of Use ("TOU") distribution rates

The Working Group assumed that if any distributor has approved TOU distribution rates, such customers will be individually interval metered and therefore the appropriate load data will be available.

The Board understands, however, that past TOU class energy data may have been accumulated using meters that did not record hourly energy consumption. In such cases, the Board directs that distributor to take additional measures to collect the appropriate interval load data to support its cost allocation filing for TOU distribution rates.

The Board expects that the future role that might be played by TOU distribution rates will be examined during the rate design consultations.

In the upcoming cost allocation studies, distributors wanting to maintain a TOU distribution rate should also address how distribution costs for such a rate classification are distinctive, aside from the cost of metering.

The above comments apply to any other new or existing rate classification based on meter characteristics.

g) Voltage-based rates

The Working Group was unsure of whether additional data would be needed to support the introduction of voltage-based rates for Large or Intermediate use customers. The Board directs that any distributor planning to include such a rate classification in its cost allocation filing include the appropriate load data, along with financial data.

h) Back-up rates for embedded generation

The Working Group was unsure of the potential load data needs for "back-up" rates in respect of embedded generation (to be used, for example, when a cogeneration facility is down for maintenance).

At this time, the Board directs that any distributor planning to include such a rate classification in its cost allocation filing include appropriate load and/or financial data.

Because of the specialized nature of the issues associated with this general topic, the Board will later decide if it is preferable to dispose of the matter as part of the generic cost allocation proceeding or separately.

Issue 13) Weather Normalization of Load Data.

The Working Group added the issue of weather-normalizing load data to its agenda, and the Group's preliminary views on the topic were included in the Report.

Given the importance of the topic, its technical complexity, and the fact that a decision is not required at this time, the Board defers its review of this issue to a later date.

B) Board Response to Province-wide Joint Load Data Collection Proposal

The Report includes a joint load data collection proposal advanced by over forty Ontario electricity distributors serving about 80% of the customers in the Province. This group of distributors (the "Ontario Load Data Research Group") is geographically diverse and serves both urban and rural customers of varying lifestyles. The Board understands that a qualified load researcher will design their sampling program.

The Ontario Load Data Research Group requested Board approval of its specific joint load data collection initiative. The major components of the proposal provide that:

- About 600 residential class interval sample meters will be installed across the Province (along with a sample of 100 customers to be randomly selected from the interval meters currently installed amongst residential customers of the Research Group members). Seasonal residential customers will be included in this sample. New meters will be randomly installed, at locales recommended by a load research expert, using a stratified approach that reduces the numbers of meters required to obtain reliable results.

- Load data for the General Service>50 kW classification will be obtained from amongst the several thousand meters currently installed in this range by Research Group members.

- The General Service<50 kW subclass will be estimated as a residual. The Ontario Load Data Research Group has received a technical defence of its use in respect of the heterogeneous General Service<50 kW subclass. The Research Group also has access to a few hundred interval meters in this rate classification, which will provide new data to check and possibly refine the estimate.

- It will be assumed that all Intermediate and Large Use customers are interval metered already.

Guelph Hydro commented that the incidence of presently interval metered consumers in the 50 kW to 250 kW range may be sporadic. The Board acknowledges this possible concern, along with the fact that the available General Service meters were not installed

in a deliberately random manner, but believes because the number of interval meters in the General Service> 50 kW range available amongst members of the Ontario Load Data Research group is so large, the load profile results will be of reasonable quality for use in cost allocation studies.

The directions below to explore the load data implications of moving the General Service 50kW boundary to 250 kW will allow further discussion of the concerns raised by Guelph Hydro.

The Board agrees that the joint load data collection proposal advanced by the Ontario Load Data Research Group is reasonable in the current Ontario context. The Board expects that the proposal proceed in the manner described (see Appendix to Group Report for full details). The Board expects that it be notified of any change in plans that would materially affect the results.

Because of the importance of the timely collection of load data to the overall cost allocation project time lines, the Board expects that the members of the Ontario Load Data Collection Group will commence load data collection by February 1, 2004. The Ontario Load Data Research Group is further expected to report to the Board by the end of December 22, 2003 on the status of their work.

The Group is also expected to report on February 2, 2004 identifying the location of any outstanding installation work to be done, reason for the delay, and updated installation schedule.

In response to a written inquiry from the Working Group, the Board has determined that appropriately structured joint collection of load data (as in the present proposal) can occur under the terms of distributors' new licences. For full details on the Board's interpretation of the application of sections 15.2(a) and 15.3 of the new distribution licences to the joint collection and sharing of load data, see the correspondence to the Working Group dated November 7, 2003, to be posted on the Board's web site under "What's New" (or see the Cost Allocation Working Group web page).

The remaining Ontario distributors can decide to collect load data individually, form another joint load data collection initiative, or acquire data from the Ontario Load Data Research Group. Statistical problems may arise if a distributor acquires the provincial load data but wishes to combine it with local load data collected using a different basis of stratification, or if local appliance saturation data is unavailable. The Board expects the same accuracy requirement (distributor-specific load profiles with a target accuracy of plus or minus 10% at 90% confidence) to apply in all cases.

The Board notes that members of the Ontario Load Data Research Group will be free to go to any party to convert the Provincial data to be collected into distributor-specific load profiles. An Appendix to the Working Group Report explains how a specific party proposes

to use its expertise and software to do this task.

The Board expects that, whatever method is chosen, it must generate statistically-reliable individual distributor load profiles, targeted at an accuracy of plus or minus 10% at a 90% confidence level. The methodology outlined in the Report's Appendix will be an acceptable means by which to achieve this goal.

Load data research to support a future review of General Service Subclasses

The Ontario Load Data Research Group is expected to investigate whether the data available from the thousands of interval meters already installed amongst their members in the General Service>50 kW range can be used to inform future discussions on:

i) The merits of maintaining the three existing General Service subclasses but increase the present 50 kW boundary to 100 kW or 250 kW;

ii) The merits of maintaining the three existing General Service subclasses but lower the present 3000 kW Intermediate subclass boundary down to 1000 kW; and

iii) The merits of introducing a fourth common General Service subclass, with a boundary of 500 kW to 3,000 kW.

It is expected that the available data be organized to attempt to produce a load profile for each of the potential new General Service subclasses identified above.

At this time, the Board is not deciding on the desirability of a new Province-wide General Service subclass, nor on the related question of the appropriate boundary for such a new subclass. Rather, the goal is to organize the load data already available for the General Service class to facilitate informed future stakeholder discussions on these issues.