

January 22, 1999

All Ontario Electricity Distributors

PBR Data Request

As indicated in the Ontario Energy Board Staff report distributed to you on December 17, 1998, Board Staff has proposed the adoption of a two-pronged PBR Framework with (1) a cap mechanism for the largest utilities and (2) a yardstick mechanism for the remaining utilities. In addition, Board Staff identified the need for four task forces to be formed as soon as possible to develop the following PBR details: cap mechanism; yardstick mechanism; implementation issues; and initial rates.

The Yardstick Mechanism Task Force had its first meeting on January 11, 1999. At this meeting data that could potentially be used to group similar electricity distribution utilities for yardstick regulation were identified. A list of 1998 data required by the Yardstick Mechanism Task Force is shown in part A of the attachment. It is essential that the task force obtain this data for all electricity distributors in the Province in order to determine reasonable yardstick groupings of utilities.

In addition to the data identified by the Yardstick Task Force to be used for peer grouping, the task force members also discussed the need for consistency between the cap and yardstick mechanisms in the consideration of productivity. In order to be able to address this issue, Board Staff have designed a second data request, listed in part B of the attachment. This information on labour/compensation and capital will allow the task force to directly examine the issue of productivity performance across the distribution industry. In addition, the information on capital will be useful in gauging the age distribution of infrastructure among utilities. Unlike the information requested in part A, the information requested on labour/compensation must cover a ten-year period, retroactive to 1988, and the requested information on capital needs to span a 20 to 25-year period, retroactive to the early 1970's, if possible.

The success of this task force will simplify the regulatory process for the distributors under the yardstick mechanism. However, availability of the subject data is paramount to this success.

The data requested is for the use of the task force purposes only. While the task force will identify the general basis for the yardstick groupings of utilities, to ensure confidentiality of the data provided, it will not include utility specific data in its recommendations. Further, the identity of specific utility data will be held in confidence by Board staff and its consultants.

The Task Force's goal is to provide Board Staff with recommendations on yardstick mechanisms by mid-March. To this end we would appreciate it if you could provide us with the data by February 5, 1999. Please forward your information to Christiane Wong, Administrative Assistant, Regulatory Affairs, by fax at (416) 440-7656 or by e-mail to wongch@oeb.gov.on.ca.

If you have any questions regarding the data listed please call Judy Kwik at (416)440-7661.

On behalf of the OEB Task Force on Yardstick Mechanisms, I thank you in advance for your cooperation.

Robert Cappadocia
Director
Regulatory Affairs

Attachments

A. Yardstick Mechanism Data Requirement

Please provide the following information for your utility for 1998:

1. Total Service Area (square km)
2. Rural Service Area (square km) as Defined by Municipality
3. Urban Service Area (square km) as Defined by Municipality
4. Service Area Population
5. Municipal Population
6. Number of Seasonal Occupancy Customers (at least four months at minimum bill)
7. Number of Total Customers, kWh, kW and Revenues
8. Number of Residential Customers, kWh and Revenues
9. Number of General Service Customers, kWh, kW and Revenues
10. Number of Large Use Customers, kWh, kW and Revenues
11. Utility Annual Peak Load (kW) and Average Peak Load (kW)
12. Utility Average Annual Load Factor
13. Distribution System Losses (all losses) and Line Losses.
14. System Voltage Level (kV)
15. Total Kilometres of Line
16. OH/UG Kilometres of Line
17. Circuit Kilometres of Line by Type :
 - 3 phase
 - Single phase

18. Number of Distribution and Transmission Stations and Voltages
19. Number of Transformers by type:
 - Transmission
 - Subtransmission
 - Distribution
20. Does your Utility have a Control Centre
21. Description of Generation Assets within your Utility
22. Description of Utility-owned Transmission System
23. Contributed Capital Policy
24. Does your Utility have Shared Services with other Municipal Departments?
25. Is your Utility a Multiple-use Utility (e.g. electricity, water and sewer)
26. Special Circumstances/Unique Attributes of your Utility (e.g. rock substrate)

B. Labour/Compensation and Capital Additions

The following information is required by year for a ten-year period (1988-1998)

Labour/Compensation

1. Number of own full-time employees
2. Number of own part-time employees
3. Number of own FTE employees
4. Number of contract or outsourced “employees”
5. Total labour compensation (e.g. wages, salaries, pension, fringe, bonuses, etc.)
6. Total contract and outsourced labour expenses

The following information is required by year for a 25-period if possible, 1972-1998, but at minimum for the period 1977-1998.

Capital

6. Gross book value
7. Depreciation expense
8. Amortization expense

9. Retirements

10. Capital additions by category:

Land; land rights; building and fixtures; generating assets; transmission line; transmission station equipment; distribution station equipment; sub-feeder overhead; sub feeder underground; distribution lines overhead; distribution lines underground; distribution transformers; distribution meters; sentinel light equipment; office equipment; computer equipment; store equipment; lease improvement; rolling stock; miscellaneous equipment; water heaters; load management control; system supervisory equipment; and sentinel lights.