

# Chapter 6

## Specific Service Charges

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# Specific Service Charges

## *Summary of Work to Date (Issues Identified)*

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Two documents formed the base for the majority of our review. These were:

- A Discussion Paper developed on the issue
- Detailed list of Approved Rates

From these we determined:

- There should be no duplication of revenues between SSC's and distribution rates
- At present there is little consistency in the nomenclature used by distributors for SSC's



# Specific Service Charges

## *Summary of Work to Date (Issues Identified)*

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- At present there is little consistency in the amounts charged by distributors for the SSC
- At present there is a lack of consistency in the circumstances used by distributors for the application of SSC's



# Specific Service Charges

## *Questions of Scope*

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- No questions of scope were identified

# Specific Service Charges

## *Consensus Reached*

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- SSC's are an integral part of a distributor's approved schedule of rates for the distribution of electricity
- SSC's are for activities that are over and above the distributor's standard level of service as described in the Distribution System Code. The costs of providing the standard level of service are recovered in the regular distribution rates



# Specific Service Charges

## *Consensus Reached*

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- A standard set of SSC's and corresponding rates or methodologies should be developed
- Distributors should be allowed to make application for any unique SSC if adequately justified
- Distributors should be allowed to waive the application of an SSC provided this is done in a consistent manner such that the practice does not become discriminatory



# Specific Service Charges

## *Unresolved Issues (Crossover Issues)*

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- We need to work with the “Revenue Requirement” group to ensure that there is no duplication of revenues from SSC’s
- Comparators and cohorts: different services included in the utilities’ standard distribution rates



# Specific Service Charges

*Unresolved Issues (Work Continuing)*

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- Should all utilities be required to apply all SSCs on a user pay basis?
- What should the filing requirements be for SSC approval?



# Specific Service Charges

*Unresolved Issues (Work Continuing)*

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- Develop pre-determined and clearly defined nomenclature for the specific service charges to the extent possible
- Further discussion on direct or fully allocated costing
- Develop predetermined fixed amounts for like recoverable activities that can be selected by the distributor for approval
- Develop formula that distributors can use to apply for unique SSC's



# Specific Service Charges

## *Recommended Path*

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- Further discussion in the work group, and possible argument



# SSS Administration Charge

*Summary of Work to Date (Issues Identified)*



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- It appears that the basis for the current charges was not fully detailed. Proper cost allocation may provide the necessary detail.
  - Various Retailer charges were also discussed and relate closely to the SSS Administration Charge.

# SSS Administration Charge

## *Question Of Scope*

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- Should the SSS Administration Charge and Retailer Service Charges be reviewed/updated as part of the 2006 EDR process?

# SSS Administration Charge

## Consensus

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- We recommend that the SSS Administration Charge and the Retailer Service Charges remain at their current levels pending information from the Regulated Price Plan process, the Regulatory Assets process and a cost allocation study

