

User Instructions for Completion of Smart Meter Rate Calculation Model for Electricity Distributors

Chapter 1 Getting Started

Objective of Model

Mechanism to calculate an electricity distributor's proposed smart meter rate adder.

Glossary

Asset Types – Categories of like assets grouped together for the purposes of applying depreciation and Capital Cost Allowance rates to each asset category.

Capital Cost Allowances (CCA) – This is the depreciation that is allowed to be expensed for tax purposes for capital assets, except land, for the loss in value of capital assets due to wear and tear or obsolescence. Different types of assets are allocated to different classes for the purpose of applying CCA. Each asset type has its own CCA rate.

Capital Cost – Are costs incurred on the purchase of land, building, construction and equipment to be used in the production of goods or the rendering of services. Generally, the capital cost of the property is what was paid for the asset, including delivery charges, GST, PST or HST. This is the amount on which the first CCA claim is made.

Undepreciated Capital Cost (UCC) – The capital cost of an asset (excluding land) is added to the group for its asset category when the asset is acquired. Each year, the allowed CCA is deducted from the balance in the class, and the remaining amount is called the undepreciated capital cost.

Scope and Purpose of Instructions

This document is designed to help the user complete the Smart Meter Rate Calculation Model. This document will hereafter be referred to as the "Instructions".

Tools to Complete Model

- 2006 EDR Decision and/or most recent Cost of Service Revenue Requirement Workform

Chapter 2 Using the 2011 Smart Meter Rate Calculation Model

Format of the Model

The model consists of eight worksheets, which are not password protected. The naming convention for the worksheets is a number and then a title. Worksheets where the user is expected to input data, are indicated by green cells. Yellow cells indicate a drop down menu, where the user selects their applicable information. Formulaic cells, where inputted results are calculated, are indicated by blue cells.

Contact Board staff if any problems are to occur.

Completing the Model

Sheet: 1. LDC Information	User Input Required: Yes
Purpose: Identify applicant's name, application number, and licence number.	
Instructions: User will input name of LDC, licence number, and date of submission. User will also input all necessary contact information of user inputting data.	
Sheet: 2. Smart Meter Data	User Input Required: Yes
Purpose: Summarize actual and forecasted capital costs and OM&A costs in applicant's smart meter installation plan.	
Instructions: Installation Plan User will input audited actual data for 2006 to 2009. User will input actual number of Residential smart meters installed, actual number of General Service Less Than 50 kW smart meters installed, and General Service Greater Than 50 kW smart meters installed. User will then input actual number of Collectors and Repeaters installed, and if applicable, other costs associated with installation plan. User will input forecasted data for 2010 and subsequent years. Capital Costs User will input audited actual data for 2006 to 2009. User will input actual capital costs associated with smart meters into green cells and select from the yellow drop down menu the asset type.	

<p>User will input forecasted data for 2010 and subsequent years.</p> <p>O M & A</p> <p>User will input audited actual data for 2006 to 2009. User will input actual O M & A costs associated with smart meters into green cells.</p> <p>User will input forecasted data for 2010 and subsequent years.</p>	
<p><i>Sheet: 3. LDC Assumptions and Data</i></p>	<p><i>User Input Required: Yes</i></p>
<p><i>Purpose:</i></p> <p>Calculate total smart meter capital costs per meter.</p>	
<p><i>Instructions:</i></p> <p>User will input deemed debt (%) for 2006 to 2009. User will input deemed short term debt rate (%) and proposed ROE for 2006 to 2009. User will also input forecasted deemed short term debt and proposed ROE from 2010 onwards.</p> <p>User will input working capital allowance (%) for 2006 to 2009. User will input forecasted working capital allowance from 2010 onwards.</p> <p>User will input corporate income tax rate from 2006 EDR process. User will input forecasted corporate income tax rate from 2010 onwards.</p> <p>User will input audited actual depreciation rates (# of years) for each asset type from 2006 to 2009. User will also input forecasted depreciation rates for each asset type from 2010 onwards.</p> <p>User will input audited actual CCA rates for each asset type from 2006 to 2009. User will also input forecasted CCA rates for each asset type from 2010 onwards.</p>	
<p><i>Sheet: 4. Smart Meter Revenue Requirement</i></p>	<p><i>User Input Required: No</i></p>
<p><i>Purpose:</i></p> <p>Calculate actual revenue required for smart meter installation from 2006 to 2009 and forecasted revenue required for smart meter installation from 2010 onwards.</p>	
<p><i>Instructions:</i></p> <p>User does not input any data into this worksheet.</p>	
<p><i>Sheet: 5. PILs</i></p>	<p><i>User Input Required: No</i></p>
<p><i>Purpose:</i></p>	

Calculate PILs utilizing actual and forecasted smart meter installation data.	
<i>Instructions:</i> User does not input any data into this worksheet.	
Sheet: 6. Average Net Fixed Assets & UCC	User Input Required: No
<i>Purpose:</i> Calculate actual and forecasted average net fixed assets related to smart meter installation plan. Also determines, actual and forecasted undepreciated capital cost.	
<i>Instructions</i> User does not input any data into this worksheet.	
Sheet: 7. Funding Adder Collected	User Input Required: Yes
<i>Purpose:</i> Calculate total amount collected from rate payers through Board approved smart meter funding adder.	
<i>Instructions:</i> User will input total month ending amount collected (\$) from rate payers through applicant's Board approved smart meter funding adder beginning in January 2006.	
Sheet: 8. Smart Meter Rate Adder	User Input Required: Yes
<i>Purpose:</i> Calculate proposed smart meter rate adder to be collected from rate payers	
<i>Instructions:</i> User will input total number of expected metered customers for 2011 into cell C18.	

Submitting the Completed Model

User should save completed model and submit electronic version and hard copy print out through the Board's online e-Filing services and with the Board Secretary's Office.