



Ontario Energy Board

Commission de l'énergie de l'Ontario

**Review of Cost Allocation Policy for
Unmetered Loads – Working Group
EB-2012-0383**

January 18, 2013

Overview & Agenda

- Status Update
- KWH daisy chain & COS experience
- Cost Allocation Model (sensitivity analysis for a real utility)
- Hydro One – USL Load Profile Study (street lighting and USL)
- Miscellaneous presentation items for discussion
- Open Discussion
- Input/Recommendations for Consultant

Project progress

Dec 2012
completed

- determine participants' high level views
- gap analysis and any areas for study
- Confirmed approach and work plan

Today
session 2

- report back on work assignments
- cost allocation model – sensitivity analysis
- participant recommendations (for report)

~ February
written comments
& session 3

- draft consultant's report will be circulated in advance
- working group comments on the draft report

~ March
Session 4, if necessary

- discuss 'recommendations of the working group' document, if necessary





Introductions...



KWH daisy chain issue – Board findings

KWH April 7, 2010 COS decision (page 37):

- “...the Board considers [KWH’s] approach reasonable in terms of delineating the connections and the assets and services in [KWH’s] distribution network serving streetlights...”
- “...this manner of treating street lighting connections for Cost Allocation purposes is markedly different than that used by many other distributors...”
- “...this may be a realistic way of modeling the allocation of costs...”



KWH daisy chain issue – but...

KWH April 7, 2010 COS decision:

- ...”the Board expects a more complete explanation of the cost allocation approach to this class in its next cost allocation filing...”
- “Given that each connection now represents ... about 16 streetlights ... represents a significant load, ***the Board questions the use of 0.1 service weighting for streetlighting.***”
- Board has instructed KWH to do an updated cost allocation study which addressed weighting factors for connections for daisy-chained streetlighting (p.38, bullet 3) ...next COS



KWH daisy chain issue – for discussion now, or later)

- The KWH decision approved daisy chain approach, but not without caveats and conditions
- So what is an appropriate services weighting for daisy-chained (DC) streetlights?

Good question...



LDC	service wt.	SL/DC	Dx Date
KWH	0.1	16	Apr. 10
Enersource	1.0	4.6	Dec. 12
Hydro Ottawa	1.0	15	Jan. 12*
Midland	0	0.7 ?	Jan. 13*
Lakefront	1.0	1.1	May. 12*
PowerStream	0	2.9	Dec. 12

*settlement

- So then who is correct?

Board views in COS world post EB-2010-0219 comments regarding daisy-chaining

- Frankly, little mention by Board in COS since KWH
- Board has appeared satisfied accepting R/C ratios in the Board's policy ranges as reasonable
 - has not focused on the number of connections/devices and weightings, outside of the KWH decision
- Many municipalities have made submissions over the years...
 - Tone is generally 'seeking guidance'
....hopefully an output of this working group

Questions

