

## **Sir Adam Beck, 1922**

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**"We have been in business since 1906, and we have been pleasing and displeasing the public ever since. We have been cussed and discussed, boycotted and investigated, talked about, lied about, hung up, held up and robbed. The only reason we are staying in business is to see what happens next."**



## **The Exciting World of Tariffs – Hydro One 2006 Rate Order**

- **Retail Transmission Service Rate (RTSR)**
- **Low Voltage (LV)**
- **Hydro One TLF**



## **Retail Transmission Service Rate (RTSR)**

- **Applies to LDCs and Directs connected to Hydro One's LV system per Hydro One's Dx rate order**
- **Passthrough of Tx costs that Hydro One incurs due to the load of these customers on Hydro One's LV system**
- **Calculated on the aggregated demand of the individual customer at each TS**
- **Load transfers among feeders at a TS have no RTSR billing impact**



## **LV Rate Implementation – May 1/06**

- **LV recovers capital costs invested to supply customer's load and is applied on a per feeder basis**
- **Charges for LV rates for the period May 1/02 – Apr. 30/06 have been recorded in regulatory deferral account**
- **Charges were based on 1999 billed quantities, regardless of whether actual load have increased or decreased since then**
- **These charges are being recovered through 2 Regulatory Asset Riders (RAR) – RAR 1 and RAR 2**

## LV Rate Implementation – May 1/06

- RAR 1 was implemented Apr. 1/05 and continues for 36 months
- RAR 2 will be implemented May 1/06 and continues for 48 months
- LV rates will apply actual metered monthly peak kW on *each feeder* as of May 1/06
- kW are not loss adjusted
- Rate is \$0.63/kW/month
- In case of customers with > 1 feeder at a TS, there will be a change in their billing



## Hydro One TLF per 2006 Rate Order

- **No change to numerical values**
- **One change to application in case of embedded LDCs & Directs**

“For Embedded Direct and Embedded LDC customers that are supplied through Express feeders, as defined below and that are required to move the meter location from inside a TS or HVDS to outside a TS or HVDS, the applicable Supply Facility Loss Factor and the Distribution Loss Factor will be determined for such customers on the basis of an engineering study to arrive at a Site Specific Loss Adjustment for this circumstance, (SSLA), including radial line loss as appropriate, and this calculated value would replace the average Total Loss Factor shown above.”



## Hydro One TLF per 2006 Rate Order

- **Embedded meter points on Hydro One distribution system**
- **Calculate  $SSLA_{\text{Transformer}}$  and  $SSLA_{\text{RAD}}$  per Market Rules**
- **Signed & stamped by P.E.**
- **Add note that loss adjustment calculation is per Hydro One 2006 rate order**
- **Same loss adjustment will be used in calculation of Hydro One's retail transmission service rate billing to embedded LDC/Direct**
- **0.6% still applies for meter points at the station**



## **Hydro One TLF per 2006 Rate Order**

- **TLF includes station service**
- **Calculated SSLA does not include SS**
- **Change to this methodology also requires allocation of share of SS based on breaker count**