

Revenue Metering Standing Committee: Hydro One 2008 Rate Change



Background

u Sir Adam Beck, 1922

"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."

Hydro One 2008 Distribution Rate Application

- Rates based on OEB cost allocation methodology
- Harmonization of rates across all Hydro One customers – reduction in number of different rates
- New rate class – subtransmission (ST) replaces LV rates
- Application of TLF & Transformer Loss Adjustment (TLA)

ST Rate Class

- **Replaces LV rate class**
- **Includes embedded LDCs, Directs and General Service & Farm Customers connected at 13.8 – 44 kV and:**
 - ✓ **3 phase**
 - ✓ **Supply their own transformation**
 - ✓ **Greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year)**
- ✓ **May be effective Nov. 1, 2008 depending upon pending OEB decision**

ST Rate Class

- **Rate structure is very similar to LV rates**
- **Most common charge – Common ST Line – has decreased from \$0.633/kW to \$0.58/kW**
- **Monthly service charge of \$188.**

TLF

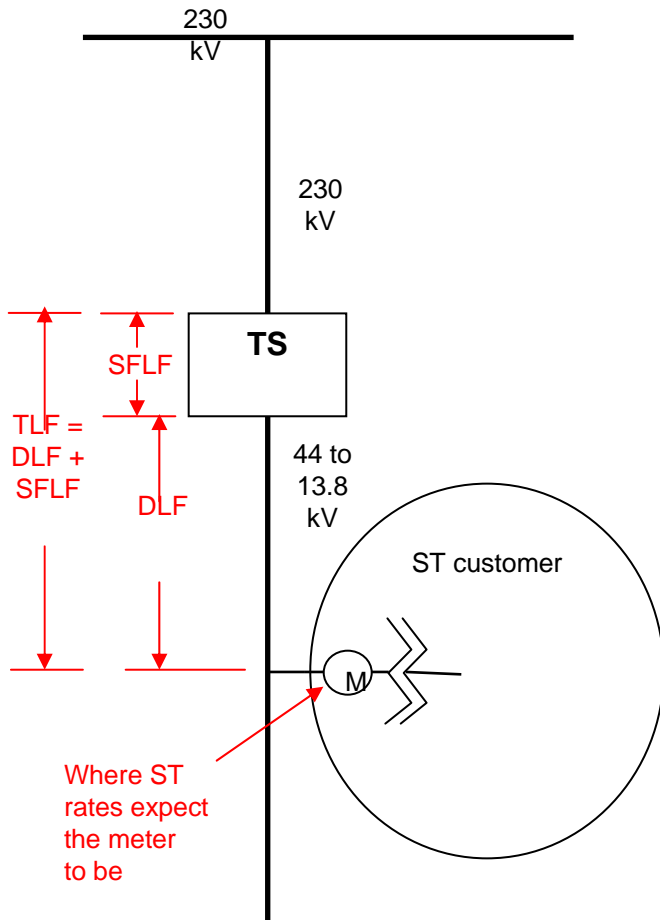
- **OEB approved TLF values remain the same – 0.6% and 3.4%**
- **Use of SSLA and radial line loss as appropriate is required where the feeder delivers to solely one supply point and the metering is located away from the supplying Transformer Station**
- **One new wrinkle:**
 - **TLF includes both technical & non-technical losses**
 - **Intervenor at OEB hearing noted that SSLA does not include non-technical losses**
 - **Hydro One has proposed that non-technical losses will be addressed by increasing losses determined using SSLA by 10%**

Transformer Loss Adjustment (TLA)

- TLF did not take into consideration whether metering was located on primary or secondary side of transformer
- Better connectivity information now available
- TLA now applied to metered quantities where metering is located on secondary side of transformer to ensure consistent determination of billing determinants
- Either OEB approved TLA of 1.0% or transformer losses may be determined from transformer test data (SSLA method) subject to Hydro One's approval
- If approved TLA is applied, then customers with metering on secondary will see 3.4% + 1.0% applied

Application of TLF & TLA to ST Customers

TLA **not** applied to ST customer



TLA applied to ST customer

