

Board Staff Interrogatories - Generic Issues Hearing

RP-2005-0020 / EB-2005-0529

1. Smart Meters

Kingston Electricity Distribution Ltd EB-2005-0385

1. The installation of a pilot programme for smart meters was an approved CDM initiative for KEDL (RP-2004-0203/EB-2004-0541). Please provide the following:

a.) The budgeted versus the actual direct installation, operation and maintenance costs broken into labour, equipment and materials. Use only direct costs. Do not apply any non direct costs such as return and A&G overheads.

Although 500 smart meters have been purchased, the meters have not yet been delivered and the installation has not yet commenced, therefore no costs associated with installation or maintenance are available to report at this time.

b.) A statement of whether the installation was outsourced. If outsourced, state whether the installations were performed by an affiliate, or an independent third party.

It is KEDL's intention to install the CDM related Smart Meters with existing Utilities Kingston (affiliate) staff.

2. State the estimated benefits expected from smart meters and any measured benefits found. If a feasibility analysis was performed as a CDM screening, or otherwise, please provide those calculations as well. The observed benefits should include current existing rates for the class that the customer is in and any Time of Use rates that the utility is contemplating, and the HOEP from the IESO.

KEDL is completing a pilot program for smart meters as part of its Conservation Demand Management (CDM) Plan to satisfy its regulatory/legislative requirements.

2. Deferral Accounts

2.1 Regulatory Costs

Not Applicable to Kingston Electricity Distribution Limited

2.2 Revenue Losses Attributable to Unforecasted Distributed Generation

Not Applicable to Kingston Electricity Distribution Limited

3. Standby Rates for Load Displacement Generation

Kingston Electricity Distribution Ltd EB-2005-0385

On Schedule 10-6: Standby Charges, KEDL states "...the standby rate be equal to the fixed monthly charge for the appropriate customer class and a demand charge based on the name plate rating of the generation units." However the Fixed Monthly Charge quoted for Commercial > 50 kW and the Variable Monthly Charge differ from that on 10-1 RATE SCHEDULES (Part 1) of the EDR model.

The 10-1 Rate Schedule includes the correct charges.

1. Please confirm that KEDL is seeking approval to:

a.) Charge the same Fixed Monthly Charge of \$3860 to:

- a Large User with no generation,**
- a former Large User who installs Load Displacement generation capable of serving its entire load except for when it requires Standby Service, and**
- a former Large User who installs Load Displacement generation capable of serving part of its load;**

This is to confirm that KEDL intends to charge the same fixed charge for Large user customers in the scenarios listed above.

- b.) **Charge the same Fixed Monthly Charge of \$236.22 to a customer over 50 kW in the situations described in part (a).**

This is to confirm that KEDL intends to charge the same fixed charge (\$235.75) for General Service Customers > 50 KW for the scenarios listed above for Large Customers.

2. Please reconcile to inconsistency between the two schedules, Schedule 10-6 Standby Charges and Schedule 10-1 RATE SCHEDULES (Part 1).

The rate for General Service Customers > 50 KW is incorrect on Schedule 10-6: For Standby Charges the correct rate is as listed in 10-1 Rates Schedule (part 1) that is:

- *Monthly Service Charge \$235.75*
- *Distribution Volumetric Rate \$1.7954 per KW*
- *Schedule 10-6 was completed before the EDR 2006 Model was finalized.*

Revised

Schedule 10-6: Standby Charges

A distributor must complete this Schedule to indicate how it proposes to deal with a customer requiring standby power.

For 2006, will a distributor with currently approved standby charges continue to use them and the conditions of service under which they are applied?

Kingston Electricity Distribution Limited currently does not have an approved Standby rate for customers requiring standby power.

The sample methodology provided by the Board appears to be suitable for calculations associated with a standby rate for previously un-serviced loads.

Kingston Electricity Distribution Limited is seeking approval for a Standby Rate for Load Displacement Generation.

Since the load that is being displaced is being served through assets that were constructed for the purpose of providing for that load, it is Kingston Electricity Distribution Limited's proposal that the Standby rate be equal to the fixed monthly charge for the appropriate customer class and a demand charge based on the nameplate rating of the generation unit(s).

<u>Customer Class</u>	<u>Fixed Monthly Charge</u>	<u>Variable Monthly Charge</u>
Large User	\$3860.00	\$0.9851 / KW (plus regulatory asset rate riders)
Commercial > 50 KW	\$235.75	\$1.7954 / KW (plus regulatory asset rate riders)

In the event that standby service is utilized during the billing period no additional fixed charge would be applicable and demand would be based on the actual metered demand.

If Kingston Electricity Distribution Limited receives a proposal requiring a Standby Rate for new non-load Displacement Generation a new site specific Standby Rate would be applied for using actual costs (including upstream capacity) of supplying this standby service.

3. Please provide a rationale for charging the fixed monthly charge and the variable demand charge.

The distribution assets required to supply electrical energy in any of the scenarios listed in Q 1 a) remains unchanged regardless of the utilization of generation units. If KEDL is required to build and maintain distribution assets for any given level of demand for a customer, either standby or regular service, the cost to KEDL remains the same. It follows then that if the costs to KEDL remain the same the charges to the customer should remain the same.

4. Please confirm that:

- a.) KEDL is seeking approval to charge the Variable Monthly Charge on the basis of the name plate rating of the installed generation in the event that standby service is not utilized, and**

KEDL is seeking approval to charge the Variable Monthly Charge based on the name plate rating of the installed generation in the event that standby service is not utilized.

- b.) KEDL is seeking approval to charge on the basis of the highest hourly consumption in the event that standby service is utilized at some time during the month.**

KEDL is seeking approval to charge on the basis of the highest hourly consumption in the event that standby service is utilized at some time during the month.

- c.) Please confirm that the latter billing demand would be used even in the case that the highest amount actually utilized is substantially lower than the nameplate rating of the generation.**

As stated in schedule 10-6: Standby Charges "In the event that standby service is utilized during the billing period no additional fixed charge would be applicable and demand would be based on the actual metered demand."

- d.) Given the "lumpiness" of generation plant, (i.e. generators are manufactured in discrete sizes), if the load the generator is displacing is less than the rating of the generator, why would you use the generator's rating, rather than the displaced load?**

If the customer's generation plant is rated higher than the load the generator is displacing then the customer becomes a net generator and is no longer a load displacement generation facility. In this scenario KEDL would be expected to supply standby system capacity for both the load displacement and the surplus energy generated equal to the nameplate rating of the generator.

- 5. Reference Managers Summary p. 9 of 18. To clarify the application, please define "previously un-serviced load", and confirm that "sample methodology provided by the Board" refers to the table included in the Handbook Schedule 10-6.**

To further define the Managers Summary regarding 'previously un-serviced loads' means customer facilities that currently are not connected to KEDL's distribution system and would require at a minimum connection to the system that lies along and could mean expansion or enhancement of the existing system. The 'sample methodology provided by the Board' referred to in the managers summary is the methodology outlined in the Handbook Schedule 10-6.

6. **Would KEDL seek approval of a site-specific Standby Charge based on the Handbook Schedule 10-6 in the event that a new customer approached KEDL for Standby Service (i.e. a load that was not previously served by KEDL)?**

In the event of a customer requesting standby service for a previously un-serviced site KEDL would seek approval for a site specific standby rate.

4. Other Deferral Accounts

4.1.1 Rate mitigation revenue shortfalls

4.1.2 Low Voltage Charge Variances

4.1.3 Material Bad Debt

Not Applicable to Kingston Electricity Distribution Limited