Board staff Interrogatories

AMPCO Evidence: The Benefits of Improvements in Transmission Rate Design, January 14, 2009

Question 1:
AMPCO Evidence
In the Board decision which set the current charge determinants (RP-1999-0044) the Board stated:

> "A rate design aimed at customer demand reduction during the system's coincident peak hours would meet the test of economic efficiency, but only if the network transmission system is generally capacity-constrained. This is not the case for the OHNC [Hydro One] network transmission system either today or in the foreseeable future." (paragraph 3.4.27)

Question:
Is AMPCO able to provide any evidence that Hydro One's transmission system is currently capacity constrained?

Question 2:
AMPCO Evidence, Table 2, p. 6
It notes that Dr. Anindya Sen estimated "electricity demand elasticity with respect to electricity prices for five industry sectors". Table 2 then focuses on elasticity estimates in relation to the HOEP. In estimating the demand elasticity for each sector, please explain if Dr. Sen has taken into account that the HOEP is only a portion of the total electricity price (i.e., about 20%) paid by all Ontario consumers?

Question 3:
AMPCO Evidence, p. 6
The AMPCO Evidence notes "*Dr. Sen's analysis finds a statistically significant relationship between real time price HOEP and real time demand*".
Question:
Please identify how many AMPCO members connected to the transmission system are currently purchasing power in the spot market and how many are on a contract at fixed prices?

Question 4:
AMPCO Evidence, Table 5, p. 10
Question:
Please provide the following information:

- The percentage of AMPCO member load connected to the transmission system versus the distribution system. And of those connected to the transmission system, please identify the percentage of AMPCO member load in each of the five sectors identified in Table 5.

- With respect to AMPCO members connected to the transmission system, please provide the range that the network transmission charge accounts for in terms of those AMPCO member total electricity bills.

- For each of the five sectors identified in Table 5, please identify how many AMPCO members connected to the transmission system are involved in OPA demand response programs (e.g., DR1, DR2, DR3).

Question 5:
AMPCO Evidence, p. 12
The AMPCO Evidence notes "*AMPCO is recommending that a customer's monthly transmission demand charges be determined on the basis of the average of that customer's coincident peak demand on the days of the 5 highest peaks in Ontario demand in the previous year."* In Hydro One's previous transmission rate proceeding (EB-2006-0501), AMPCO also proposed what appears to be a similar change in the rate design. In EB-2006-0501, it was referred to as a "five-coincident-peak" approach (or 5-CP).
Question 5.1:
Is the current rate design proposal the same or does it differ? If the latter, please explain how it differs from the previous proposal.
Question 5.2:
In addition, has AMPCO consulted the IESO on the estimated cost to make the required information system changes in order to implement AMPCO's current proposal? For example, in relation to AMPCO's previous proposal discussed above, the Board's EB-2006-0501 Decision states, "*The IESO, which is responsible for billing transmission charges for all transmitters, indicated that AMPCO's 5-CP proposal would take a minimum of six months and cost $150,000 to make the required information system changes."* (p. 97)

Question 6:
AMPCO Evidence, p. 13

With respect removal of the "ratchet", point #4 on page 13 of AMPCO's Evidence states *"It is especially important that this incentive be in place for LDCs, since most of the demand growth in Ontario that is driving the expansion of the transmission asset base is occurring with these loads."* In the Board's EB-2006-0501 Decision (p. 96), it states "*Toronto Hydro pointed out that it and other local distribution companies (LDCs) have little or no ability to shift their demand away from the peak because LDCs have little control over when their customers consume power. They would, therefore, pay a larger share of Hydro One's Network charges*."
Question 6.1:
As such, is AMPCO aware of any new developments that have occurred since the EB-2006-0501 proceeding that would now enable LDCs to shift their demand away from the peak?
Question 6.2
If so, please elaborate.

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