

Aiken & Associates

578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: randy.aiken@sympatico.ca

October 30, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi,

RE: EB-2022-0325 – Generic Hearing on Uniform Transmission Rates – Phase 2 – Reply Submissions of the London Property Management Association on Issues 4, 5 and 6

On behalf of the London Property Management Association (“LPMA”) I have reviewed all of the submissions received from the participants in this proceeding. As it did in its original submission, LPMA has limited its reply submissions to Issue 4, which deals with the impact of double-peak billing.

Issue 4 – Charges caused by planned transmission outages

There was general agreement in the various submissions that there is a need to find a solution to double peak billing. LPMA agrees with this sentiment and submits that it is not fair to customers to have to pay more for planned or unplanned outages. Why should a planned outage result in additional costs to customers and why would the failure of the electricity system as the result of an unplanned outage result in higher costs to the customers that are adversely impacted. This is counterintuitive to customers.

Some submissions play down the dollar impact of double peak billing, indicating that it makes up a very small percentage of transmission revenue. LPMA agrees that this appears to be the case, and this should be taken into account in Issue 4.4 below. However, as noted in the LPMA submission, the costs to both industrial customers and customers of distributors from double peak billing can be significant. As noted in the LDC Transmission Group evidence that can range from \$4 per customer to \$23 per customer.

4.1 Should all transmission charges (Network, Line connection, Transformation Connection) continue to be on a per delivery point basis, whereby the customer's charges would be calculated separately for each delivery point, or should they instead be calculated on an aggregate per customer basis, whereby the transmission charges would be calculated on the customer's aggregate demand for all delivery points for a given time interval?

LPMA has reviewed the submissions of Board Staff and others and is persuaded that transformation connection and line connection assets should continue to be billed on a delivery point basis. This is consistent with the principle of cost causality. During a load transfer – planned or unplanned – there is increased usage of these assets, to the benefit of the customer using these assets and the customer should pay for this benefit.

LPMA also supports the submission of Board Staff with respect to the network service charge and assets. In particular, LPMA supports the statement that “*OEB Staff submits that, on the principle of cost causality, for a customers with multiple delivery points, the OEB should reconsider the delivery point basis for the network service charge, and consider aggregating the delivery points.*” (OEB Staff Submission, October 16, 2024, page 6).

The aggregation of the network delivery points, while maintaining the deliver point basis for transformation connection and line connection charges may result in some issues with the IESO or other parties. LPMA again submits that the creation of a working group to delve into the details of such a change should be considered.

4.2 Should the measures to address the impact of double-peak billing be applied to both planned and unplanned transmission outages or should there be separate measures? What should be the objectives of those measures?

Other than Hydro One, it appears that all of the submissions support any solution to double peak billing to apply to both planned and unplanned outages. LPMA notes and agrees with VECC's submission that it may be difficult to distinguish between a planned and an unplanned outage (VECC's Submissions – Issues 4, 5 and 6, October 16, 2024, page 7-8). With respect to fairness, customers should not end up paying more for unplanned outages. Customers pay for reliability of the entire delivery system and should not be paying more for a reduction in that reliability.

4.3 Should the definition of the transmission charge determinants, used to establish UTRs and bill transmission charges, be revised to exclude the impact of planned transmission outages on customers with multiple delivery points?

In its original submission, LPMA did not believe that the definition of the transmission charge determinants used to establish UTRs and bill transmission charges should be revised. A review of the submissions on this issue indicate that there is widespread agreement that there should not be any revisions to the definition of the transmission charge determinants.

4.4 Should the double-peak billing impact of planned and unplanned transmission outages be tracked in a deferral account?

Most parties, including LPMA, submitted that deferral accounts should be used to track the double-peak billing impact of planned transmission outages, with somewhat less agreement on whether the impact of unplanned outages would be included.

LPMA reiterates that it believes that the amounts recorded in any such account or accounts should be done on an outage-by-outage basis, so that the required information is available to evaluate the lost revenue for each such instance and to provide information on the number of instances of double peak billing and the range of impacts on distributors and customers.

LPMA further submits that the clearance of any balances in the accounts should be done as part of any annual deferral and/or variance account dispositions that may be brought before the OEB rather than accumulating balances until the next rebasing application. This would ensure a timely review of the billing impacts associated with the outages that take place.

Some parties have suggested that the double-peak billing issue can be complicated, with the different delivery points and differing situations. The HONI Submission lists a number of steps that would be required if a deferral account were to be established. LPMA submits that the OEB should set up a working group to develop the rules around any such deferral account to achieve regulatory certainty.

Yours very truly,

Randy Aiken
Aiken & Associates