

Topic: Proposed tariff cost increases to dual-use customers

Reference: Appendix I – Bill Impact Analysis spreadsheet [AESO 2010 ISO Tariff - Appendix I - Bill Impact Analysis.xls](#) and [Section 4 — Rate Design, Page 67 of 268, Paragraphs 336.06 & 336.07](#)

Preamble: “As illustrated in Figure 4-14, the majority of Rate DTS PODs (456, or about 91%) receive increases of $\pm 10\%$ based on Rate DTS charges and commodity costs. In addition, 46 PODs (about 9%) receive increases that range from $+10\%$ to $+47\%$.”

”Decision 2007-106 directed that services receiving an increase greater than 10% be examined in more detail. Table I-6 in Appendix I accordingly provides additional information on the 46 services receiving increases greater than 10% due to the proposed Rate DTS. Of those services, 41 (about 89%) are dual-use sites where services are provided under both Rate DTS and Rate STS.”

Direct connect dual-use customers make up less than 2% of the AESO’s revenue requirement; however, these accounts are proposed to be charged 18% of the proposed rate increase from 2009 to 2010. The DUC requests additional data to better understand that proposed rate increase.

Request:

- (a) Please confirm that the POD No. in column A of tab [I-3 Per POD](#) correlates to the POD No. in column A of tab [I-4 Component](#). If not confirmed, please explain fully.
- (b) Please provide the number of substations that correlate to the 502 POD No. shown on tab [I-3 Per POD](#).
- (c) For each of the following billing determinants provided on tab [I-3 Per POD](#) please explain how the billing determinant was derived, the data source and the time period, including an example where appropriate:
 - (i) Billing Capacity (MW)
 - (ii) Monthly Usage (MWh)
 - (iii) Load Factor (%)
 - (iv) Sub-station Fraction
 - (v) CMD
 - (vi) HMD
 - (vii) DTS Capacity (MW)
 - (viii) STS Capacity (MW)
- (d) Please confirm that the DTS Capacity provided in column H of tab [I-3 Per POD](#) is not equal to the DTS contract capacity for each POD No. customer. If not confirmed, please explain fully.

- (e) Please add the following information for each POD No. on tab I-3 Per POD in a revised spreadsheet. If the requested information is not available for each POD No., please provide the information the AESO has or has access to. If the AESO considers any of the requested information to be confidential, please forward to the DUC representative before April 12, 2010 a confidentiality agreement to allow this data to be provided to the DUC representative by April 28, 2010.
- (i) the DTS contract capacity for the POD No. customer
 - (ii) the STS contract capacity for the POD No. customer
 - (iii) the number of POD No. present at the physical substation
 - (iv) the Primary Service Credit amount if applicable under the AESO's current tariff
 - (v) the Primary Service Credit amount proposed to be applicable under the AESO's proposed 2010 tariff
 - (vi) an indicator to note if the POD No. is for a customer that has a DTS and STS contract at the same substation, i.e. a dual-use customer
 - (vii) an indicator to note if the POD No. has related Industrial System Designation
 - (viii) the AESO substation name identifier for the physical substation where the POD No. is present.

Response:

- (a) Confirmed. Consistency can be verified for any specific POD No. by comparing the "Average Monthly Bill (\$)" amounts, which appear in total on both tab "I-3 Per POD" and tab "I-4 Component".
- (b) The Rate DTS accounts in Appendix I are served through about 456 substations, some of which provide service to multiple accounts which may be either Rate DTS or Rate STS. The capacities of the 456 substations are shared between market participants in accordance with the definition of substation fraction provided in Appendix J to the application, which results in the following attribution of substations to Rate DTS and Rate STS market participants.

Rate	Equivalent Substations	Note
DTS	401.0	Sum of the shares of substations attributed to Rate DTS market participants, for the substations providing service to the Rate DTS market participants in Appendix I
STS	55.0	Sum of the shares of substations attributed to Rate STS market participants, for the substations providing service to the Rate DTS market participants in Appendix I
Total	456.0	Total number of substations used, either entirely or partially, to provide service to the Rate DTS market participants in Appendix I

The numbers provided above count multiple substations that are subject to totalized billing as a single substation, consistent with their treatment in the AESO's billing system.

- (c) All billing determinants provided on tab "I-3 Per POD" are based on recorded values extracted from the AESO's billing system over the period January to December 2008

and, for billing capacity, over the period January 2006 to December 2007 for the ratchets used in the determination of billing capacity.

- (i) Billing Capacity (MW) is the maximum of the monthly billing capacities calculated for each POD from January to December 2008, where billing capacity in a month is calculated as the greater of recorded values for:
 - the highest metered demand for that POD in the month;
 - 90% of the highest metered demand for that POD in the 24-month period including and ending in the month; or
 - 90% of the contract capacity for that POD in the month.
 - (ii) Monthly Usage (MWh) is the average of the monthly metered energy recorded for each POD from January to December 2008.
 - (iii) Load Factor (%) is the average annual load factor for each POD, calculated as 12 times the monthly usage from (ii) divided by the product of billing capacity from (i) and 8,760 hours.
 - (iv) Substation Fraction is the average of the monthly substation fractions recorded for each POD from January to December 2008, determined in accordance with the definition of substation fraction in Appendix J of the application.
 - (v) CMD is the average of the monthly coincident metered demands recorded for each POD from January to December 2008, determined in accordance with the definition of coincident metered demand in Rate DTS.
 - (vi) HMD is the average of the monthly highest metered demands recorded for each POD from January to December 2008.
 - (vii) DTS Capacity (MW) is the average of the monthly Rate DTS contract capacities recorded for each POD from January to December 2008.
 - (viii) Where one or more Rate STS accounts exist at the substation which provides service to the POD, STS Capacity (MW) is the total Rate STS contract capacity which existed at that substation in December 2008.
- (d) Not confirmed. The DTS Capacity provided in column H of tab "I-3 Per POD" is the average of the monthly Rate DTS contract capacities recorded for each POD from January to December 2008.
- (e) Please see Attachment DUC.AESO-001 (e) Revised which provides the additional information in a version of the bill impact analysis based on the rates in revised section 5 of the application submitted on May 5, 2010.

As discussed in part (c)(i) above, in the bill impact analysis in Appendix I, Billing Capacity (MW) is the maximum of the monthly billing capacities calculated for each POD from January to December 2008. The AESO understands that the average, rather than maximum, billing capacity values would be more useful to DUC, and has modified Attachment DUC.AESO-001 (e) Revised to provide the average value for each POD. Note that use of average, rather than maximum, billing capacity affects the calculated load factor discussed in part (c)(iii) above. The changes to billing capacity and load

factor also affect the categorization of PODs into various groups in parts -1 and -6 of Attachment DUC.AESO-001 (e) Revised, compared to the original Appendix I.

- (i) DTS contract capacity is already provided on the “Per POD” sheet, as discussed in part (d) above.
- (ii) An “STS at POD” column has been added on the “Per POD” sheet to indicate the STS contract capacity, if any, associated with the POD No. The previous “STS Capacity” column remains on the sheet and indicates the STS capacity at the substation (whether associated with the POD No. or not) and used in the calculation of the substation fraction for the POD No.
- (iii) A “PODs at Sub” column has been added on the “Per POD” sheet to indicate the total number of Rate DTS points of delivery served through the substation through which the POD No. is served.
- (iv-v) Primary service credit amounts for 2009 and 2010 have been added on the “Component” sheet. Those amounts are included in the average monthly bill totals on the “Per POD” sheet.
- (vi-vii) “Type” and “ISD” columns have been added on the “Per POD” sheet to provide the requested information. The AESO used its best judgment to determine whether a POD No. was serving a dual use market participant.
- (viii) The AESO declines to provide the substation name identifier for each POD in the attachment.

The AESO considers that providing the substation name identifier in conjunction with the other detailed information provided in the attachment would allow specific market participants to be identified, together with their associated billing determinants and average bills. The AESO is particularly concerned about the disclosure of contract capacities, as contract capacity is a “forward-looking” billing determinant which frequently indicates a market participant’s expected system access in the future, in contrast to other billing determinants which generally reflect the market participant’s system access in the past. The AESO accordingly considers that providing substation name identifiers would allow specific market participants to be identified, which could result in harm to a market participant’s competitive position by disclosing information that would otherwise be unavailable. The AESO therefore declines to provide the requested substation name identifier to maintain confidentiality of market participant information, in accordance with section 31(1)(c) of Commission Rule 001 on Rules of Practice.