

Transmission Tariff Working Sub-Group

Process & Projects

17 January 2019

Two Parallel Sub-Groups

- **Status quo – certain changes proposed, 12 CP to be retained**
- **Analytical – propose to review all aspects of tariff without prejudging the outcome**

“It may be that the assertions of various parties claiming that there is no need to change the methodology is subsequently determined to be the case, however, until the record is closed, the Commission cannot make any determination on this issue.”

[27 Nov – AUC letter]

Rate Development Process

- **Assess Cost Causation**
- **Cost of Service Study**
 - Functionalize – Bulk, Local, POD
 - Classify – Demand & Energy
 - Allocate – Using Appropriate Factors
- **Rate Design**
 - Value of Service (Competitive Bypass)
 - Critical concern given level of transmission costs
 - Alternatives (CP / NCP / Energy; Ratcheting)
 - Calculation & Comparison – no a-priori limit on number of rate alternatives considered

Defining Analysis Projects

- **Each team defines Analysis Projects:**
 - Describe calculations, data requirements, results & use
 - TDAG members encouraged to contribute projects
 - Project list brought to TDAG on Feb. 6 for Review
 - All stakeholder-supported projects can proceed
 - Projects requiring AESO funding proceed at AESO's discretion
 - Seeking to develop in parallel to shorten schedule

Project Resourcing & Timeframe

- **Proposing to make use of stakeholder resources particularly for exploratory work**
 - **“Cards on the table” – all evidence & reasoning set out for all to consider**
 - **Consensus is unlikely – two separate teams**
- **AESO determines what material it wishes to adopt in its application (if any)**
- **Anticipate meeting AESO timeframe**