

Request R-3549-2004 – Phase 2

Transmission Tariff Design For Hydro-Québec Transmission

Presentation By
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On Behalf of

**Association Québécoise Des Consommateurs
Industriels D'électricité (AQCIE)**

and

Le Conseil de l'industrie forestière du Québec

Régie de l'énergie
DOSSIER: R-3549-2004, PHASE 2
DÉPOSÉE EN AUDIENCE
Date: 17 NOVEMBRE 2005
Pièces n°: AQCIE +

CIFQ-3

November 17, 2005



Subjects

- Key Issues
- Analysis
- Results and Variance
- Considerations
- Recommendations



Key Issues

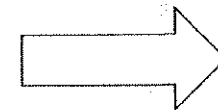
1 – Process for calculating PTP

Total Revenue Requirements = 2,591 Million

Estimates ST
PTP
Revenue

PTP
405 MW

78



2 – Allocation / Divisor or Billing Determinant

1 – CP

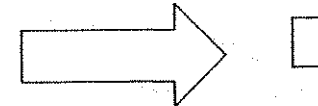
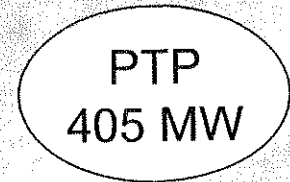
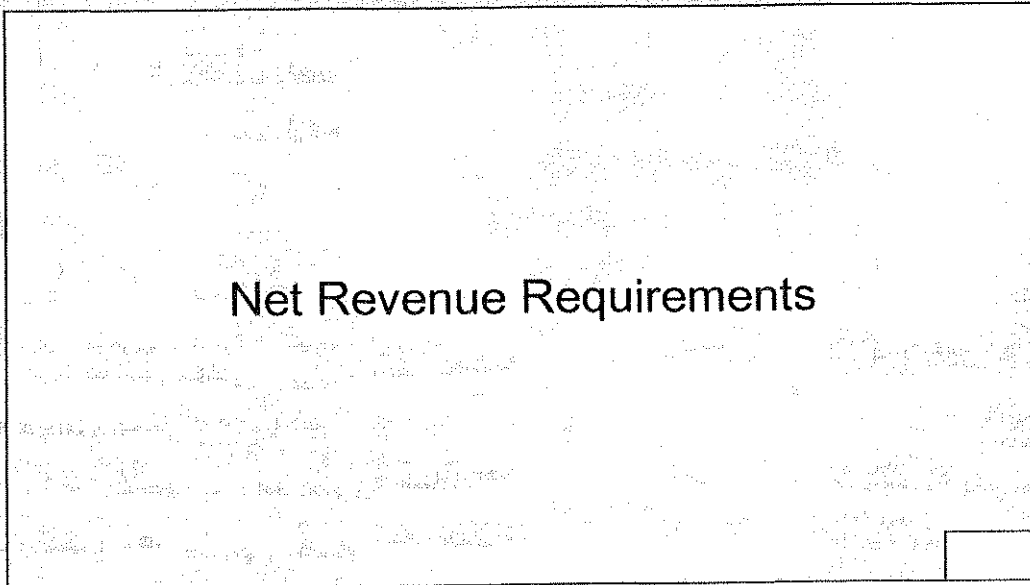
3 – CP

Installed Capacity – with Churchill

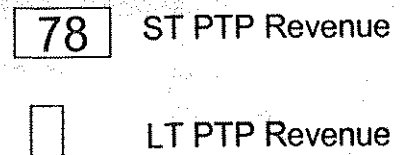
Installed Capacity – w/o Churchill



Key Issues



Hydro Quebec Approach -1





Key Issues

Native Load RR

Hydro Quebec Approach -2

78

ST PTP Revenue

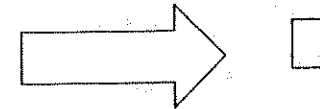
LT PTP Revenue



Key Issues

Total Revenue Requirements = 2,591 Million

PTP
405 MW



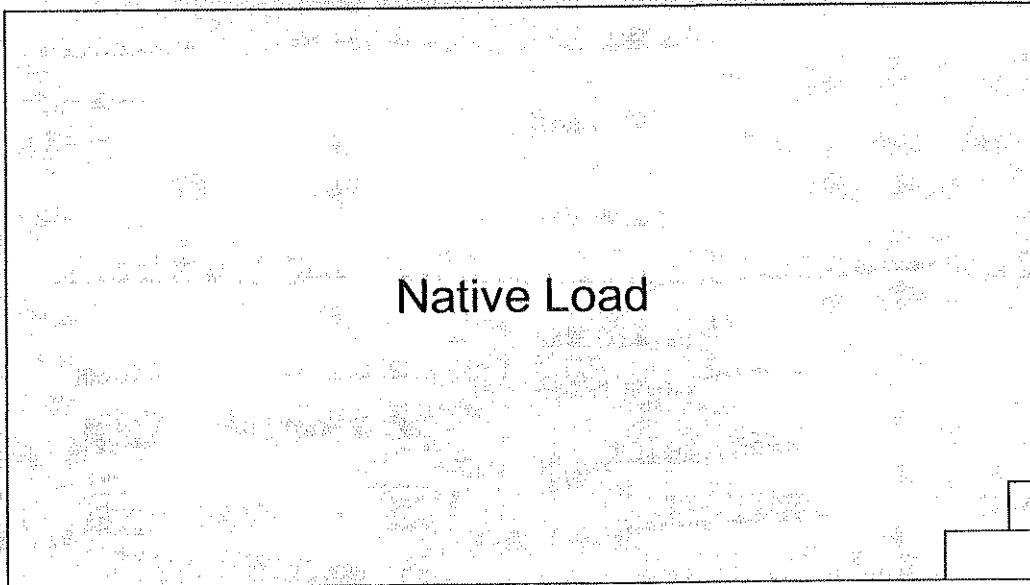
BCTC Approach- 1

78 ST PTP Revenue

LT PTP Revenue



Key Issues



BCTC Approach - 2

78

ST PTP Revenue

LT PTP Revenue



Revenue Requirements
\$2,591 M

Expected ST PTP \$78 M

PTP in MW 405

Approach	Capacity MW	BCTC Approach			HQT Approach		
		PTP Rate	Native Load	%	PTP Rate	Native Load	%
1-CP	34,060	76.07	2,482	95.8	73.78	2,483	95.8
3-CP	33,573	77.18	2,481	95.8	74.85	2,482	95.8
Installed Capacity W Churchill	42,910	60.38	2,488	96.0	58.56	2,489	96.1
Installed Capacity W/O Churchill	37,492	69.11	2,485	95.9	67.03	2,485	95.9
Variance		16.79	6.8	0.3	16.29	6.6	0.3%



Considerations

- Impact on Native Load
- Efficiency
- Rate Principles
- Long-term versus Short Term



Recommendations

- 1-CP (planning) approach in concept for LT PTP
 - Total installed system capacity is that best proxy
 - Approximates 1-NCP
- Increase in Ancillary Services too high
 - Competitive Ancillary Services Procurement
 - Phased increase in rates
- Continue to offer discount for ST PTP
 - Peak and Off-Peak
 - Continue with the 25%
- Explore new ways to enhance the utilization of system
 - Introduction of innovative rates
 - Consultation with Stakeholders