

**Réponses du Distributeur et du Transporteur
à la demande de renseignements numéro 1
de Option consommateurs
(« OC »)**

Annexe

Réponse à la question 2.3

2.1 OC 2.3 Please provide a list of transmission companies with some type of multi-year cost of service similar to what Concentric is proposing for HQT. For each company, please indicate the comparable Building Block parameters (e.g. OPEX, CAPEX, indexing, etc....)

Country	Norway	Australia	U.K.
Company	Statnett	TransGrid	National Grid
Business	Electric Transmission	Electric Transmission	Electric Transmission
MRI Approach	5 Year revenue cap resets annually	5 Year projected revenue cap	8 Year projected revenue cap
Term	2013-2018 (3 rd Generation)	2014-2019 (4 th Generation)	2013-2021 (5 th Generation)
Parameters	Revenue cap (Yardstick)	Building block	Building block
Input Parameters	Total Expenditures including: <ul style="list-style-type: none"> • Operating and maintenance costs (O&M), • Cost of power losses, • Costs of energy not supplied (CENS), and • Capital costs 	Focus on total 5-year expenditures: <ul style="list-style-type: none"> • Operating Expenditures • Depreciation • Return on capital • Corporate tax • Efficiency carry-over 	The RIIO price control regime is based on three elements of revenue, focused on total costs. The starting of the baseline revenue process is “well-justified business plans” <ul style="list-style-type: none"> • Baseline revenue • Adjustments for performance • Uncertainty mechanisms
Supporting Analysis	NVE (Norwegian regulator) began benchmarking against a single company in Sweden, now relies on 3 rd party benchmarking with input from 22 European Transmission System Operators	Consulting on benchmarking measures prepared by AER and Economic Insights for assessment of TransGrid's revenue proposal	Benchmarking analysis and market testing evidence (e.g., surveys) to test the transmitters budgeted expenditures
Incentives		<ul style="list-style-type: none"> • Efficiency benefit sharing scheme (EBSS) • Capital expenditure sharing scheme (CESS) • Service target performance incentive scheme (STPIS) 	<ul style="list-style-type: none"> • Output incentives (e.g., safety, reliability, availability, customer satisfaction, connections, environmental, new investment) • Efficiency incentives (no differentiation between Opex and Capex) • Innovation incentives (competitive bidding process)
Sources:	Elenchus Report on PBR, January 2015, pp. 69-78 and Appendix 9.	Final Decision TransGrid Transmission Determination 2015-2018, AER, July 2015; and Elenchus Report on PBR, January 2015, pp. 60-68 and Appendix 8.	RIIO-T1: Final Proposals for National Grid Electricity Transmission and National Grid Gas, Ofgem, December 2012; and Elenchus Report on PBR, January 2015, pp. 50-58 and Appendix 7.