

Q. (Re: p.12, lines 4-5)

Please explain the statement “This is a convenient way of avoiding the details around meter location and if customers currently pay for losses or not.”

- A. With regard to metering and transformer losses, there are several primary transformer voltages and several secondary voltages. In addition to different voltage levels, there appears to be four metering situations that occur in the industry, namely;
- i) Metering is on the low voltage side of the transformer and the customer does not pay for the losses.
  - ii) Metering is on the low voltage side of the transformer and customer is charged an adjustment equivalent to the losses.
  - iii) Metering is on the high voltage side of the transformer and no discount to compensate for transformer losses is given.
  - iv) Metering is on the high voltage side of the transformer and the customer is given a discount to compensate paying for the transformer losses.

To simplify the discussion in his evidence, Melvin Dean refers to the “effective” voltage at which the power is purchased. Using this method simplifies and reduces the variables. For example, instead of saying that “the metering is on the low voltage side of the 230 / 13.8 kV transformer but an adjustment is made to compensate for the transformer losses”, one can say that “the power is ‘effectively’ purchased at 230 kV”.