

# Bulletin 2020-31

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## **Process change for light emitting diode (LED) maintenance multiplier applications**

On April 30, 2020, the Alberta Utilities Commission issued Decision 24747-D01-2020 in which it approved ATCO Electric Ltd.'s proposal to process future maintenance multiplier applications for high-pressure sodium (HPS) to LED streetlight fixture conversions through a no-notice process type. The Commission determined that a no-notice process is acceptable as long as ATCO Electric continues to comply with each of the directions issued in past LED maintenance multiplier decisions.

The LED maintenance multiplier adjusts distribution street lighting rates. Specifically, the LED maintenance multiplier adjusts the distribution and service charges, corresponding to the level of service provided by light fixtures using HPS bulbs, accounting for incremental costs (net of any savings) associated with the LED lighting conversion. These net incremental costs reflect the estimated revenue requirement, on an average annualized per-fixture basis, composed of:

- a) Total LED installation costs.
- b) The cost of LED removal, based on useful life.
- c) Maintenance savings due to the reduced need for street light patrols to identify and replace HPS fixtures that are no longer working, and the avoidance of capital costs related to the re-lamping of the old HPS fixtures.

In Disposition 25695-D01-2020, the Commission approved ATCO Electric's first LED multiplier utilizing the no-notice process type.

The Commission has determined that it will extend the no-notice process type to future LED maintenance multiplier applications filed by any electric distribution utility so long as the following is included in the application:

- (i) An analysis and LED multiplier calculations that examine the specific and direct costs of providing the LED conversion service to the specific municipalities requesting the service. The analysis and calculations of the LED multiplier should show that other customers will not be subsidizing those making the LED conversion multiplier request, nor will any customer making the special service request be double charged for the standard level of service to which they are entitled under existing rates.
- (ii) Information demonstrating that the higher cost of service, the LED multiplier and its effects, were brought to, acknowledged and accepted by officials of all of the affected municipalities, and that information was filed with the Commission as part of the LED multiplier filing for those customers.

- (iii) Confirmation that any changes to the LED multiplier will be filed with the Commission.
- (iv) Confirmation that affected customers will be informed that the application has been filed.
- (v) Evidence that the most recently approved return on equity and capital structure values are used along with its most recent cost of debt and preferred shares reported in its filing of Rule 005: *Annual Reporting Requirements of Financial and Operational Results*.
- (vi) Fixture counts for each of the municipalities that are the subject of the application.

This change will ensure a consistent and timely approach to LED maintenance multiplier applications while also reducing regulatory burden for applicants.

Please contact Executive Director of Rates Kristjana Kellgren at 780-427-8558 or [kristjana.kellgren@auc.ab.ca](mailto:kristjana.kellgren@auc.ab.ca) with any questions or concerns.

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