



Association of Edison Illuminating Companies

# Why Electric Utilities Need Load Research

**A Load Research Primer  
For Electric Utility Leaders**

# What is Load Research?

## **By Definition:**

An activity embracing the measurement and study of the characteristics of electric loads to provide a thorough & reliable knowledge of trends, and general behavior of the load characteristics of the customers serviced by the electrical industry.

## **Simply put:**

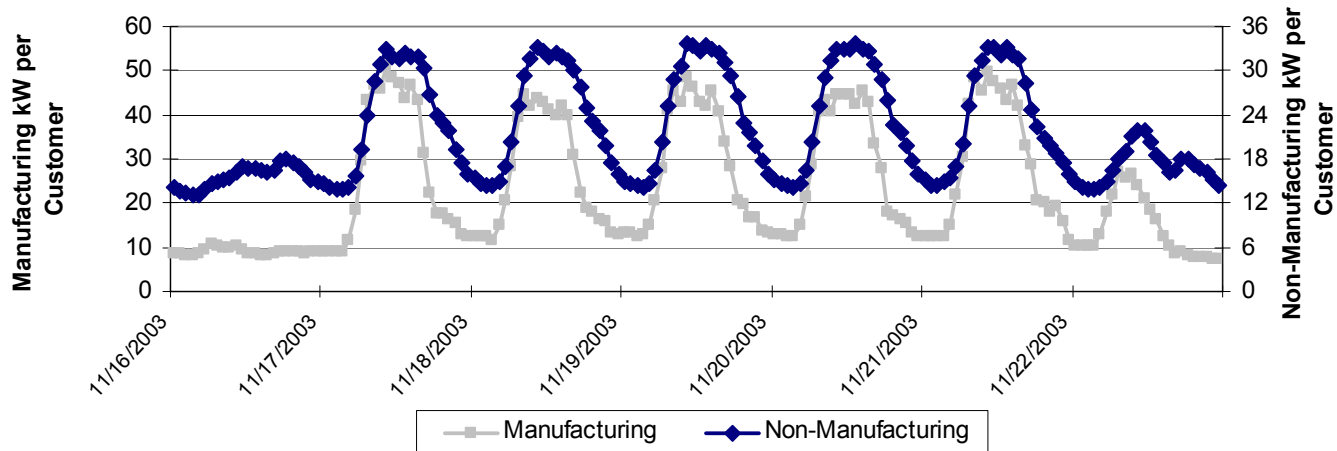
Load Research allows utilities to study the ways their customers use electricity, either in total or by individual end uses.

*Requires the talents of many disciplines including engineering, statistics, computer programming, and marketing.*

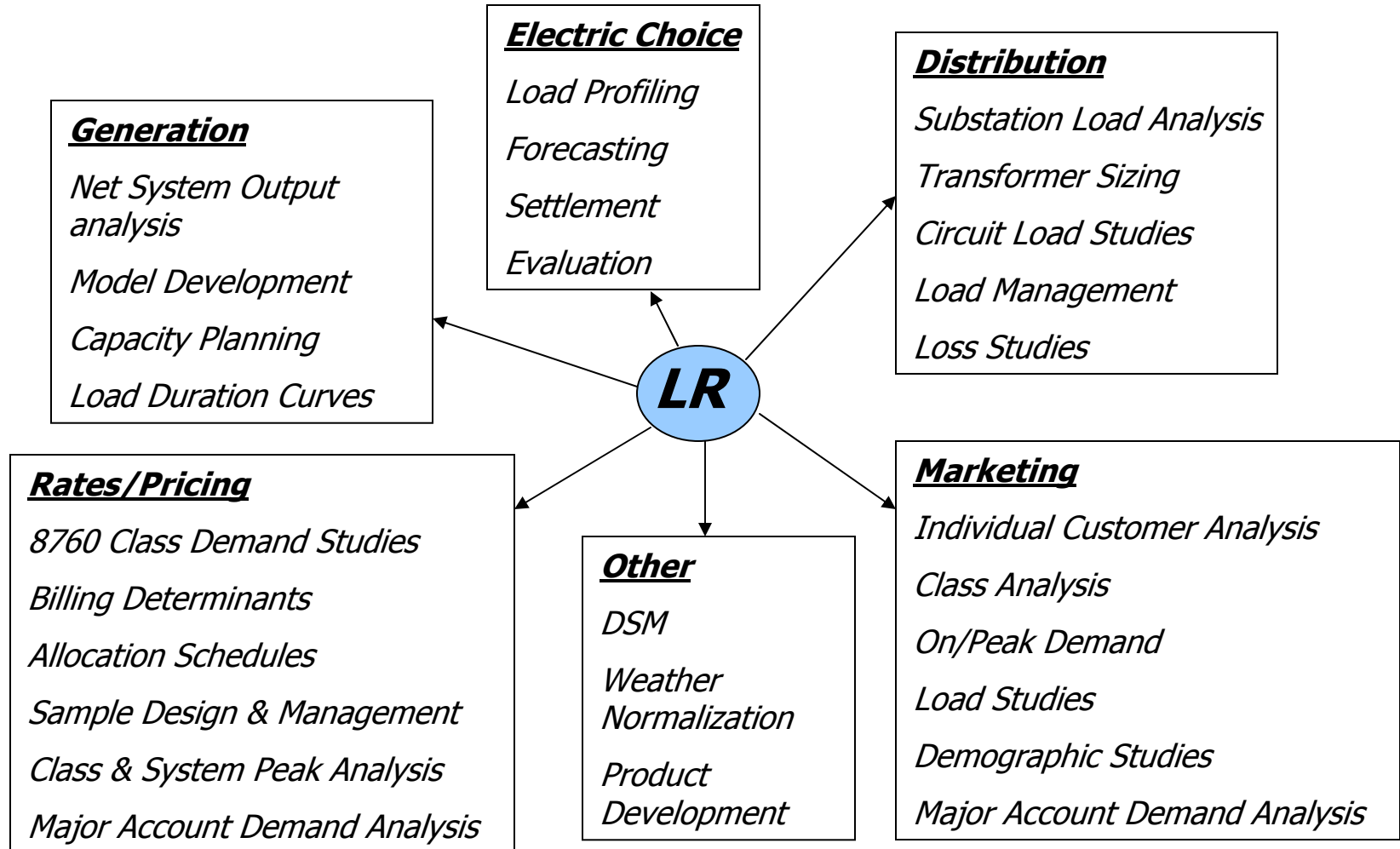
# Load Research Mission

***To build the foundation that allows the corporation to leverage knowledge of electric customer energy use patterns to enhance or protect shareholder value.***

Medium C & I Class - November 16-22, 2003  
Data from Load Research Sample IDR's



# The Corporation Depends On Load Research Products



# Regulatory Requirements

**Most Public Service Commissions require that rate case Cost-of-Service studies are based on Load Research demand allocations.**

**To satisfy this requirement you can:**

- Rely on the accuracy of your own load research

***Or***

- Rely on borrowed/purchased load research data  
which may or may not reflect your customers usage characteristics and the age of the data may be unknown or very old and unreliable.

***When the corporate financial future is on the line, which one would you prefer?***

# Retail Access Support

**Load Research provides the timely & precise load information critical to successfully achieve retail access for our customers.**

**Load Research hourly estimates (profiles) are the basis for:**

- *Reporting Hourly Supplier Loads & peak contributions to ISO's*
- *Supplier scheduling*
- *Market Settlements*

**And Require:**

- *Hourly analysis, loss adjustments & delivery reconciliation*
- *Methodologies and accuracy that meet PSC & supplier scrutiny*
- *Timely posting of data to fulfill supplier requirements*

***Interval data collected and prepared by Load Research is the recognized standard for Retail Access programs throughout the United States.***

# Load Research Core Products

Rate cases are not an annual occurrence, but Load Research **Core Products** continually add corporate value both financially and strategically. Knowledge of your customer equates to shareholder value.

## ***List of Value Adding Core Products:***

*Each Load Research Manager can customize this list to their groups product list. Examples include: cost-of-service, allocation schedules, billing determinants, transformer sizing, rate development, load management, class evaluation, sample design and measurement, 8760 analysis, industrial customer demand analysis, profiling, settlement, UFE analysis, etc.*

# Load Research Adds Value

**Load Research Value Contribution** – This is the portion of a measurable event that either increases corporate revenue or creates a real savings. Both are adding measurable value.

***Example:** Load Research developed allocation schedules used for cost-of-service, produced 8760 class analysis, developed billing determinants, and provided an expert witness for a rate case filing. As a result, 2% of the success and final outcome of the case is directly assignable to Load Research.*

Rate Case Final Order	\$100 M
Success attributed to Load Research	<u>X 2%</u>
	<b>\$ 2 M Load Research Value</b>

# Understand the Impact

If you eliminate Load Research it will take years to re-establish at considerable costs and likely loss of shareholder value.

*Remember the famous melody:*

**“You don’t know what you’ve got ‘till it’s gone”**

# Want to know more?

The Manager of your Load Research organization is a highly skilled professional with specialized training in the field of Load Research.

Contact them for more details on the activities and value Load Research is currently adding to your corporation.

-or-

Contact the AEIC Office at 205-257-2530

-or-

Contact the National Load Research Committee Chairperson

See current committee chair & members at [www.aeic.org](http://www.aeic.org)