



May 2, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: APPLICATION FOR EXTENSION OF MANDATED TIME-OF-USE PRICING ALGOMA
POWER INC. ("API") – EB-2013-0056
INTERROGATORY RESPONSES**

Please find accompanying this letter two (2) copies of API's responses to the interrogatories submitted to the Board by Board Staff.

PDF versions of these responses will, coincidently with this written submission, be filed via the Board's Regulatory Electronic Submission System.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994-3634.

Yours truly,

Original signed by:

Douglas R. Bradbury
Director, Regulatory Affairs

Enclosures

- a) Algoma Power's earlier extension application granted an extension to December 31, 2012. This current application was received by the Board on February 26, 2013. Please describe in detail the factors that Algoma Power considered in making this application and the reasons for submitting it almost two months after the extension had expired.

Response:

As described in the Preamble on Page 6 of API's application, the exemption request was originally included in API's application for 2013 IRM rates and Smart Meter Cost Recovery (EB-2012-0104, submitted in October 2012) for 47 meters that API does not foresee being able to transition to TOU rates in the foreseeable future. Between October and December 2012, API commenced a detailed review of Smart Meter communication success rates in advance of its planned TOU transition commencing in January 2013. During the course of this review, it became apparent that a number of meters beyond the 47 originally identified for exemption in the EB-2012-0104 proceeding were experiencing issues that would not be able to be resolved prior to the planned TOU transition. On December 10, 2012, API requested to withdraw the requested exemption (for the 47 meters) and submit an application separate from the EB-2012-0104 proceeding. Between December 10, 2012 and February 2013, while transitioning the majority of its RPP customers to TOU billing, API investigated the affected meters in more detail in order to prepare and submit a revised application for TOU extension.

- b) Please provide details on how Algoma Power intends to make progress with transitioning the affected customers if it is granted the indefinite exemption.

Response:

# of Customers	Issue	Transition Plans
47	Economic AMI/Backhaul solution not currently available	None at this time. A reasonable solution is not expected in the near future due to the very low meter density and/or lack of backhaul capabilities in these areas. Please refer to Pages 8 and 9 of API's original application for details.
85	Communication issues with existing AMI equipment (FRP's)	After determining that no further progress could be made with the local telephone company, API is now working with its AMI vendor to pilot solutions that could remotely disconnect and reconnect the affected phone lines on a periodic basis. This would effectively reset the connection. A test location was selected and equipment has been recently installed. API is awaiting preliminary performance results from the vendor.
40	Repeater installation pending	One FRP installation is currently underway and API is waiting for delivery of equipment from its AMI vendor. An FNP installation is currently being evaluated to confirm which possible location (if any) will provide adequate coverage to meters in the area.
125	Main breaker on line side of meter / Tuning outstanding / Radio failure	API expects to make significant progress on this group of meters in the summer months. As described in the original application, many of these meters are located at seasonally occupied premises where the main breaker is likely to be in the off position while the premise is unoccupied. Troubleshooting these meters during the summer months increases the likelihood that the main breaker will be on, which in turn increases the probability of successful troubleshooting.

- c) Please describe in detail the cost consequences of the delay on Algoma Power's Smart Meter and TOU Implementation plan.

Response:

Prior to sending a Customer Service Representative (CSR) to read any of the affected meters, API's customer service department considers each of the following:

- Is a read available in the AMI system from a date reasonably close to the desired read date? A significant portion of the affected meters read sporadically, meaning that while the hourly read success is not at a level required for TOU billing, a register read is likely to exist in the AMI system for a date in the vicinity of the desired read date.
- Considering the type of customer and time of year, is any significant consumption expected during the previous reading period? For example, many of the affected meters are seasonal and/or have little or no consumption during certain times of year. If little or no consumption is expected, the field reading would likely be unnecessary.
- Can the read be estimated? Where all of the customers in a given area have low and/or regular consumption patterns meter reads may be reasonably estimated thus reducing the number of trips required for field reads.
- Do the CSR's have other work planned (metering or otherwise) in or near the affected areas? For example, the CSR's may have disconnects or reconnects planned, or may be required to read GS>50 meters in certain areas and the

affected meters may be nearby. This would allow a field read of the affected meter at minimal additional cost.

Given the small number of affected meters (approximately 2% of total meter population), the fact that API anticipates making substantial progress for many of the affected meters in the coming months, and the cost mitigation measures described above, API expects minimal cost impact in terms of manual meter reading effort as a result of the TOU delay.

- d) Are there any other factors (internal and/or external) that Algoma Power has identified that may hinder its ability to comply with its requested mandatory TOU price date?

Response:

No.

- e) If Algoma Power is granted the indefinite exemption, what reporting measures would be appropriate for it to report on its progress regarding transitioning the affected customers to TOU pricing?

Response:

API submits annual reporting would be appropriate. Given the similarities in the challenges faced by API and Hydro One, API submits that the reporting requirements should be similar to those described in the Board's Decision and Order in the Hydro One application (EB-2012-0384). The following list is a summary of the items that were included in the reporting requirements for Hydro One as a result of the Decision and Order in EB-2012-0384:

- the total number of RPP eligible customers;
- the number of hard to reach customers transitioned to TOU in that year;
- the total cumulative number of customers on TOU;
- information on any new available technologies for these hard to reach customers;
- progress in the ongoing monitoring of cost effective technologies;
- the costs related to any of these technologies; and ,
- any other related information that would inform the Board on Hydro One's progress to transition hard-to-reach customers to TOU pricing.

Given that significant progress may be made with meters experiencing certain issues during the summer of 2013, API submits that October 31, 2013 would be an appropriate date for submitting its first annual report.

- f) Is Algoma Power communicating or working with Hydro One or any other utilities to deal with the technological constraints? If not, why not?
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Response:

As part of the District 9 LDC consortium, API worked with other LDC's in Northeastern Ontario throughout the smart meter deployment phase to evaluate and test backhaul options to remote areas. The FRP repeater option employed by API in some remote areas where phone line and/or cellular service was available was found by other LDC's in the group to be sufficient to achieve 100% coverage of their meters.

To the best of API's knowledge, Hydro One is the only other utility facing constraints in extremely remote areas similar to API. API has not communicated directly with Hydro One for several reasons:

- As recently as the period of September 2012 – November 2012, Hydro One described their efforts to deal with the technological constraints in detail in their TOU extension application (EB-2012-0384). This included detail on both efforts made to date, pilot projects underway and proposed future considerations.
- In reviewing the above information, API was satisfied that it had considered the same alternatives for backhaul communications and had reached the same conclusions as Hydro One that the options were either unavailable in the required areas or were uneconomic.
- API uses a different AMI vendor, and as such, the vendor-specific modifications discussed by Hydro One would not be applicable to API's AMI system.

- g) Please confirm the current status of the smart meter deployment and TOU implementation for Algoma Power's service territory.

Response:

Smart meter deployment is 100% complete. All Residential - R1 class customers (normally described as Residential and general service less than 50 kW customers) and Seasonal customers other than the approximately 300 included in this application have been successfully transitioned to TOU billing.