



EB-2013-0056

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application pursuant to
section 74 of the *Ontario Energy Board Act*, 1998 by
Algoma Power Inc. seeking an extension to its mandated
time-of-use pricing date.

By delegation, before: Theodore Antonopoulos

DECISION AND ORDER JUNE 20, 2013

On February 26, 2013 Algoma Power Inc. ("Algoma Power") filed an application with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act*, 1998 ("the Act") for a licence amendment granting an extension in relation to the mandated date for the implementation of time-of-use ("TOU") pricing rates for certain Regulated Price Plan ("RPP") customers.

BACKGROUND

Under cover of a letter to all Ontario electricity distributors dated August 4, 2010, the Ontario Energy Board provided its determination of mandatory dates by which each distributor must bill those of its RPP customers that have eligible TOU meters using TOU pricing. The Board's determination was made pursuant to sections 3.4 and 3.5 of the Standard Supply Service Code for Electricity Distributors, which requires TOU pricing for regulated price plan consumers with eligible TOU meters, as of the

mandatory date. Compliance with this Code is a condition of licence for nearly all licensed electricity distributors in Ontario.

On July 30, 2012 Algoma Power requested its TOU pricing date be extended for all its customers from June 2012 to December 2012 due to a delay in the migration of its customer information system. On November 8, 2012 the Board granted the requested extension which expired on December 31, 2012.

THE APPLICATION

Algoma Power requested an indefinite extension due to technological constraints for approximately 300 customers outside the reach of its technological infrastructure. Algoma Power stated that it requests the indefinite extension due to the fact that there are no options that will meet full compliance. Algoma Power indicated that the options available would only achieve partial compliance and the costs are excessively high. Algoma Power stated that it does not expect the situation to be resolved until there is an improved telecommunication infrastructure or when future technological advancements in automated meter infrastructure become available. Algoma Power proposed that during the extension period those hard to reach customers would remain on two-tiered pricing specified in section 3.3 of the Standard Supply Service Code.

The Board issued a Notice of Application and Written Hearing for Algoma Power's application on April 3, 2013 and dates were established for interrogatories and submissions on the application. Board staff filed interrogatories on the application on April 22, 2013. Algoma Power responded to those interrogatories on May 2, 2013 providing more information regarding the delay and progress to date in implementing TOU pricing. On May 21, 2013 Board staff filed a submission on the application and stated that it had concerns with the requested indefinite extension. Board staff proposed a two year extension period along with a reporting requirement. Algoma Power did not respond to Board staff's submission.

In its submission Board staff cited the proceeding EB-2012-0384 where Hydro One Networks Inc. (“Hydro One”) experienced similar technological constraints with some of its hard to reach customers. Board staff noted that Hydro One requested a similar indefinite extension to its mandated TOU pricing date and was granted a two year extension by the Board on December 21, 2012. Board staff submitted a similar extension period would be appropriate for Algoma Power. Board staff also submitted that the reporting requirement ordered in the Board’s December 21, 2012 Decision and Order would also be appropriate for Algoma Power. Board staff noted that Algoma Power agreed to this reporting requirement in response to interrogatory e) where it acknowledged that it faced similar issues as Hydro One.

FINDINGS

The extension is granted for a period of two years. Algoma Power will be exempted from the requirement to apply TOU pricing under the Standard Supply Service Code until July 1, 2015. Algoma Power has generally been diligent in preparing for the implementation of TOU pricing. The reasons given in the application for the hard to reach customers is supported by the evidence filed with the application. I accept Algoma Power’s assertion that the options available would only achieve partial compliance and the costs are excessively high.

I find that the delay encountered by Algoma Power in relation to the hard to reach customers to be an unanticipated circumstance sufficient to justify an extension to its mandated TOU pricing date for these approximately 300 identified customers. I also find that a further extension application (if necessary) will enable the Board to more formally and fully test Algoma Power’s progress at that time.

A two year extension will require Algoma Power to file a further extension application in the first quarter of 2015 if no solution is identified and implemented by that time. I also accept Board staff’s recommendation, and agreed to by Algoma Power, of a reporting

requirement similar to that of Hydro One's requirement in the EB-2012-0384 proceeding. Algoma Power in its interrogatory response e), agreed to a reporting requirement that includes:

- 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 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 Algoma Power's progress to transition its remaining customers to TOU pricing.

I find that the annual report would be helpful to the Board to monitor Algoma Power's progress in researching technological advances and finding cost effective measures to connect these customers. Algoma Power will report on its progress on connecting these hard to reach customers to TOU pricing on April 30, 2014 and April 30, 2015.

IT IS ORDERED THAT:

1. Algoma Power Inc.'s distribution licence ED-2009-0072, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors for the identified customers hard to reach customers. The exemption will expire July 1, 2015.
2. Algoma Power Inc. shall file a report to the Board on its progress to transition the identified hard to reach customers to Time-of-use pricing on April 30, 2014 and

April 30, 2015. The progress reports shall include the items identified in this Decision and Order.

DATED at Toronto, June 20, 2013

ONTARIO ENERGY BOARD

Original signed by

Theodore Antonopoulos
Manager, Electricity Rates