



June 11, 2015

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

Dear Ms. Walli:

**RE: APPLICATION BY ALGOMA POWER INC. FOR AN EXEMPTION FROM THE PROVISIONS OF THE DISTRIBUTION SYSTEM CODE REQUIRING 98% BILLING ACCURACY AND LIMITING ESTIMATED BILLS**

Please find accompanying this letter two (2) copies of an application by Algoma Power Inc. for an exemption from the provisions of the Distribution System Code requiring 98% billing accuracy and limiting estimated bills.

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 Bradbury P.Eng,  
Director Regulatory Affairs

Enclosure

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

**AND IN THE MATTER OF** an Application by Algoma Power Inc. for an Order or Orders including an exemption from the provisions of the Distribution System Code requiring 98% billing accuracy and limiting estimated bills

**Algoma Power Inc.**

**Application for an Exemption to Provisions of the  
Distribution System Code**

**June 11, 2015**

## **APPLICATION**

1. The Applicant is Algoma Power Inc. ("API"), API is an Ontario corporation carrying on the business of owning and operating electricity distribution facilities in Ontario.
2. API requests an exemption from the provisions of the Distribution System Code (the "Code") pertaining to billing accuracy and estimated bills, namely sections 2.10.1 and 7.11.1 to 7.11.7.
3. API requests that the Board establish the exemption to begin on April 15, 2015, the date on which the subject requirements came into force, and to remain in place until December 31, 2019. The timing of this request is intended to coincide with the timing of API's proposed extension to its existing exemption (EB-2013-0056) for time-of-use pricing.
4. API requests that this proceeding be conducted by way of a written hearing.
5. API also requests an interim exemption be granted by the Board as of April 15, 2015 (the date on which the aforementioned requirements came into force) until such time the Board renders a final decision in this application.

## INTRODUCTION

On February 26, 2013, API filed an application, EB-2013-0056, for an exemption in relation to the mandated date for the implementation of time-of-use (“TOU”) pricing for certain Regulated Price Plan (“RPP”) customers. Arising from that application, API’s distribution licence, ED-2009-0072, specifically Schedule 3 List of Code Exemptions, was 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 hard to reach customers. The exemption has an expiration date of July 1, 2015.

Co-incidentally with this Application, API will be filing another application for an extension from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors for these identified hard to reach customers. API will be requesting, in that application, that the extension begin on July 1, 2015 and remain in place until December 31, 2019.

On February 5, 2015, the Board issued a Notice of Proposal to Amend a Code (EB-2014-0198). The Board’s proposed amendments related to billing frequency, the use of estimated billing and billing accuracy requirements for all electricity distributors. On April 15, 2015 the Board issued the amendments to the Code.

In its Notice of Amendments on April 15, 2015, the Board noted that *“some distributors argued that they should be exempt from some of these proposed amendments because of other exemptions they currently have in place for other codes or provisions of the DSC. ... These distributors can also apply for a licence exemption. For any exemption application, distributors will have to satisfy the OEB that the code provision should not apply to them.”*

## EXEMPTION REQUEST

API is hereby requesting an amendment to its Distribution Licence to provide an exemption to the limitations on estimated billing and billing accuracy requirements for the specified hard to reach RPP customers that are currently the subject of the existing TOU

exemption. API requests that the term of this exemption coincide with that duration of that exemption, which is being sought for the period ending on December 31, 2019.

The exemption being requested must also define a *non-seasonal residential* customer, a *residential* customer and a *general service < 50 kW* customer as each being a subset of API's Residential – R1 customer class. Such a definition will serve to define those customers within API's Residential – R1 class to whom these particular sections of the Distribution System Codes applies.

In its most recent Annual Progress Report on the Transition to TOU Pricing as per the Board's findings in the matter of EB-2013-0056, API has identified 345 hard to reach customers as of March 31, 2015. Of these 345 hard to reach customers, 191 are the generic *non-seasonal residential* and *general service < 50 kW* customer types; the balance of the customers are seasonal.

API does not expect to be able to transition these RPP billed customers to TOU pricing in the foreseeable future to due technological and economic constraints.

For these hard to reach customers, API plans to bill monthly based on a combination of actual and estimated meter reads. Where access to the meter is safe, practical and economical, API will manually read the meter as close as possible to the end of the billing period. Where access to the meter cannot be achieved in a safe, practical and economical manner, API will use estimated reads for billing and will resume manual reads at the earliest practical opportunity.

## **PROPOSED LICENCE AMENDMENTS**

The Licensee is exempt from the provisions of Sections 2.10.1 and 7.11.1 to 7.11.7 of the Distribution System Code, limiting the use of estimated billing and requiring billing accuracy. This exemption applies to approximately 191 identified hard to reach customers who, as of March 31, 2015 and as per Decision and Order EB-2013-0056, are outside the reach of the Licensee's smart meter telecommunications infrastructure, demonstrate consistently unreliable meter communication, occasionally resulting in estimated billing

and, as of April 15, 2015, would fail to meet the Distribution System Code requirements for accurate bills.

This exemption, covering about 191 customers, also includes any new hard-to-reach customers who are projected to be connected to API's service area during the requested exemption period. This exemption expires December 31, 2019.

Specific to the Licensee, the use of the terms *non-seasonal residential* customer, a *residential* customer and a *general service < 50 kW* customer in Sections 2.6.1A and 2.10 of the Distribution System Code refer to a subset of API's Residential – R1 customer class.