



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2015-0199

ALGOMA POWER INC.

**Application for Extension to Mandated Time-of-Use Pricing Date &
Exemption to Sections 2.10.1, 7.11.1 to 7.11.7 of the Distribution
System Code**

BY DELEGATION, BEFORE: Peter Fraser
Vice President, Industry Operations & Performance

October 8, 2015

DECISION AND ORDER

Algoma Power Inc. filed an application on June 11, 2015 with the Ontario Energy Board (OEB), under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an exemption to Sections 2.10.1 and 7.11.1 to 7.11.7 of the Distribution System Code (DSC) and an extension to its mandated date for Time-of-Use (TOU) pricing for certain “hard to reach” Regulated Price Plan customers.

Algoma Power has applied for an exemption from sections of the DSC which relate to estimated billing and billing accuracy. The exemption would apply to 191 of the utility’s hard to reach customers. Algoma Power requests that this exemption be effective April 15, 2015 until December 31, 2019.

In addition, Algoma Power has requested an extension to its mandated date for TOU Pricing for approximately 350 hard to reach customers for which the utility received a previous extension in OEB proceeding EB-2013-0056. Algoma Power requests that the extension be effective from July 1, 2015 until December 31, 2019.

Algoma Power states it is not possible for it to economically connect its remaining meters to its Advanced Metering Infrastructure network or to make all meters communicate reliably enough to issue regular TOU bills based on actual meter readings. Algoma Power states that the costs associated with the options available to connect more meters and make meters reliable are excessively high and would result in upward pressure on rates.

A Notice of Application and Written Hearing was posted on the OEB’s website on July 3, 2015. The Notice provided time for interrogatories and submissions on the application, as well as a reply from the applicant. On July 23, 2015 OEB staff filed interrogatories on the application and Algoma Power replied on August 4, 2015.

This Decision and Order is being issued by Delegated Authority, pursuant to Section 6 of the Act.

Findings

I find that the exemption to the sections identified in the DSC with regard to estimated billing and billing accuracy and the extension to Algoma Power’s TOU pricing date for the identified customers should be granted. Algoma Power will be exempted from the

requirement to provide monthly bills based on actual reads 98% of the time for approximately 191 hard to reach customers. Algoma Power is also granted an extension to its mandated date for TOU Pricing for approximately 350 of its hard to reach customers. I accept Algoma Power's reasoning that it is not possible to economically make all meters communicate reliably enough to issue regular monthly TOU bills based on actual meter readings.

In its response to interrogatories Algoma Power suggested filing a report to the OEB regarding the transitioning of approximately 127 customers to TOU pricing by December 31, 2015. I find that this report would be helpful to the OEB. Algoma Power also indicated that it would include a specific agenda item with respect to the issues faced with hard to reach customers for the annual Algoma Power/Algoma Coalition Stakeholder Sessions agreed to as part of the Settlement Proposal in Algoma Power's most recent Cost of Service proceeding (EB-2014-0055). Algoma Power stated that this agenda item would inform stakeholders of the reasons that a small number of customers remain on two-tier pricing, and the costs involved to convert these customers to TOU pricing.

I find Algoma Power's proposal reasonable given the circumstances and expect that it will inform stakeholders on its progress in transitioning the identified hard to reach customers to TOU pricing and monthly billing based on actual reads.

I encourage Algoma Power to continue its efforts to identify cost-effective technological solutions during the exemption period.

IT IS ORDERED THAT:

1. Algoma Power Inc.'s Electricity Distribution Licence ED-2009-0072, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption from Section 2.10.1 and Sections 7.11.1 to 7.11.7 of the Distribution System Code in respect of approximately 191 Regulated Price Plan customers who as of June 11, 2015 are outside the smart meter telecommunications infrastructure reach of Algoma Power Inc. and include new hard to reach customers who are expected to be connected to Algoma Power Inc.'s service area during the requested exemption period. This exemption shall be effective as of April 15, 2015 until December 31, 2019.

2. Algoma Power Inc.'s Electricity Distribution Licence ED-2009-0072, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption to the provisions of the Standard Supply Service Code for Electricity Distributors requiring time-of-use pricing for Regulated Price Plan consumers with eligible time-of-use meters, as of the mandatory date for the identified 350 hard to reach customers. This exemption expires December 31, 2019.
3. Algoma Power Inc. shall file a report to the OEB on its progress to transition the identified hard to reach customers to TOU pricing on December 31, 2015.

DATED at Toronto, October 8, 2015

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance