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de l'Ontario

DECISION AND ORDER

EB-2024-0324

ALGOMA POWER INC.

Amendment to Electricity Distribution Licence ED-2009-0072 (Temporary Exemption from Certain Provisions of the Distribution System Code and Standard Supply Service Code)

BY DELEGATION, BEFORE: Brian Hewson
Vice President,
Consumer Protection & Industry Performance

December 19, 2024

DECISION AND ORDER

Algoma Power Inc. (Algoma Power) filed an application on November 5, 2024, with the Ontario Energy Board (OEB) pursuant to section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an amendment to its Distribution Licence ED-2009-0072. The request is to amend Schedule 3 of the Licence and specifically to extend its existing exemptions from section 2.10.1 and sections 7.11.1 to 7.11.7 of the Distribution System Code (DSC) until December 31, 2029, and extend exemptions from sections 3.2.26, 3.4, 3.4A, 3.4B and 3.5 of the Standard Supply Service Code (SSSC), all to provide for an extension to the deadline for Algoma Power to provide Time-of-Use (TOU) pricing for certain “hard to reach” Regulated Price Plan (RPP) customers until December 31, 2029.

This Decision and Order is being issued by delegated authority without a hearing pursuant to section 6(4) of the OEB Act.

BACKGROUND

On November 14, 2019, the OEB issued a Decision and Order (EB-2019-0163) amending Algoma Power’s electricity distribution licence to provide an exemption from the provisions of the SSSC requiring RPP customers to be charged for electricity on the basis of TOU prices (namely, sections 3.2.6, 3.4, 3.4A, 3.4B and 3.5), but only in respect of the small number of “hard to reach” customers who have smart meters but are outside the effective coverage area of Algoma’s smart meter telecommunications infrastructure. The Decision and Order provided that the 191 of “hard to reach” customers were to be charged tiered prices. In the same Decision the OEB amended Algoma Power’s licence to extend exemptions from section 2.10.1 and sections 7.11.1 to 7.11.7, inclusive, of the DSC. These sections of the DSC relate to billing accuracy and use of estimated billing. The OEB extended the SSSC and DSC exemptions until December 31, 2024. The EB-2019-0163 Decision continued exemptions that were initially granted in a Decision and Order (EB-2015-0199) issued on October 8, 2015, based on the finding that for these customers, “it is not yet feasible to economically implement TOU billing” which continued to be the case in the 2019 Decision and Order.

On October 13, 2020, amendments to the SSSC came into force which enabled RPP consumers to opt out of TOU prices and to elect instead to be charged on the basis of tiered pricing. On the same day, changes to the wording of the exemption in Algoma

Power's licence came into force, to provide for exemptions for the "hard to reach" customers in regard to the SSSC amendments.¹

On January 1, 2023, further amendments to the SSSC came into force to implement a new optional Ultra Low Overnight (ULO) price plan for RPP customers. Like standard TOU, ULO pricing relies on smart meters that are connected to telecommunications infrastructure. On April 20, 2023, the OEB made minor changes to the wording of the exemption in Algoma Power's licence to provide for exemptions for the "hard to reach" customers in regard to the ULO amendments.²

APPLICATION

In its current application, Algoma Power has stated that it is requesting a five-year extension to the SSSC and DSC exemptions because it has not been able to identify cost-effective solutions for transitioning the remaining "hard to reach" customers (150 as of November 2024) to smart metered billing. Algoma Power submitted that it is working towards replacing its current Advanced Metering Infrastructure (AMI) and that during the requested exemption period, it expects to be able to implement a system to reliably communicate with meters at the locations of all "hard-to-reach" customers on a cost-effective basis.

DECISION

The OEB finds it to be in the public interest to grant Algoma Power's request and amend its electricity distribution licence ED-2009-0072 to provide for exemptions from the SSSC and DSC for the purpose of billing its "hard to reach" customers. The OEB accepts Algoma Power's evidence that due to technical limitations it cannot reliably connect to the smart meters for the "hard to reach" customers. The OEB finds that Algoma Power may continue to bill the remaining "hard to reach" customers on the basis of tiered RPP prices until December 31, 2029. The OEB expects Algoma Power to continue its efforts to connect these customers to its smart meter telecommunication infrastructure. Therefore the amendments to the licence provide that, if before December 31, 2029, due to changes to Algoma Power's AMI system, a previously "hard to reach" customer's meter is within range of should Algoma Power's smart meter and telecommunication infrastructure, Algoma Power is required to provide customer with

¹ EB-2020-0241, Decision and Order, October 2, 2020.

² The OEB required electricity distributors who are able to make [ULO price plan](#) available earlier may do so as of May 1, 2023.

the opportunity to choose between standard TOU, ULO or tiered prices, and if the customer does not make a choice, the customer will be billed on standard TOU.

IT IS ORDERED THAT:

Algoma Power Inc.'s electricity distribution licence ED-2009-0072 is amended, effective December 19, 2024, by replacing Items 1 and 4 of Schedule 3 with the following:

1. The Licensee is exempt from the provisions of the Standard Supply Service Code requiring standard time-of-use pricing or, if the consumer so elects, ultra-low overnight time-of-use pricing, for Regulated Price Plan consumers with eligible time-of-use meters (namely, sections 3.2.6, 3.4, 3.4A, 3.4B and 3.5). This exemption applies only for service to the approximately 150 "hard to reach" customers who, as of November 2024, were outside the effective coverage area of the Licensee's smart meter telecommunications infrastructure. This exemption expires on December 31, 2029. If, during the exemption period, a previously hard to reach customer comes within the effective coverage area of the Licensee's smart meter telecommunications infrastructure, the Licensee must as soon as practicable provide the customer with the option of electing standard time-of-use, ultra-low overnight time-of-use or tiered prices and begin charging the customer based on the customer's election or, if no election is made, based on standard time-of-use price
2. The Licensee is exempt from the provisions of Section 2.10.1 and Sections 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 only for service to approximately 150 "hard to reach" customers who would fail to meet the Distribution System Code requirements for accurate bills. The identified customers include customers who are outside the effective coverage area of the Licensee's smart meter telecommunications infrastructure. This exemption expires on December 31, 2029.

The amended licence is attached to this Decision and Order.

DATED at Toronto December 19, 2024

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance