

Rule 002 Proposed changes for 2014

[Stakeholders: FortisAlberta Inc. (FortisAlberta), ENMAX Power Corporation (EPC), ATCO Gas Ltd. (ATCO Gas), EPCOR Distribution & Transmission Inc. (EDTI), Industrial Power Consumers Association of Alberta (IPCAA), The City of Calgary (Calgary), ATCO Electric Ltd. (ATCO Electric), AltaGas Utilities Inc. (AUI), the Office of the Utilities Consumer Advocate (UCA) and Devon Canada Corporation (Devon)]

Section	Subsection	Existing	Proposed changes	Stakeholder comment <small>(Directly quoted from stakeholders' written submissions)</small>	AUC response
1 General provisions	1.1 Rule application	The quality of services provided by owners of electric distribution systems that are electric utilities and by gas distributors is measured under AUC Rule 002: <i>Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors</i> (Rule 002). The quality of services provided to customers by a default supply provider or a regulated rate provider, as those terms are defined in the <i>Gas Utilities Act</i> and the <i>Electric Utilities Act</i> respectively, is measured under AUC Rule 003: <i>Service Quality and Reliability Performance Monitoring and Reporting for</i>	This rule measures the quality of service provided by owners of electric distribution systems as defined in the <i>Electric Utilities Act</i> S.A. 2003, c.E-5.1 (<i>Electric Utilities Act</i>) and that qualify as “electric utilities” under the same statute and gas distributors as defined in the <i>Gas Utilities Act</i> R.S.A. 2000, c. G-5 (<i>Gas Utilities Act</i>). Quality of service reporting for regulated rate providers and default supply providers, as defined in the <i>Electric Utilities Act</i> and <i>Gas Utilities Act</i> , respectively, is performed in accordance with AUC Rule 003: <i>Service Quality and Reliability Performance Monitoring and Reporting for Regulated Rate Providers and Default Supply Providers</i> (Rule 003). Stakeholders are cautioned	ATCO Gas: Agree with change.	

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		<p><i>Regulated Rate and Default Supply Providers (Rule 003).</i> In certain circumstances, parties may be required to report under both rules, Rule 002 and Rule 003.</p>	<p>that, under some circumstances, a given entity may have reporting obligations under both AUC Rule 002: <i>Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors (Rule 002) and Rule 003.</i></p> <p>This rule sets minimum service standards for entities subject to its application. Nothing in this rule is to be construed as relieving parties of other service quality obligations incurred by operation of other applicable statutes, regulations or AUC rules.</p>	<p>IPCAA: Agreed</p> <p>Calgary: Calgary agrees with the clarifications made to this provision, particularly the new wording added to the end of the provision (highlighted in grey shading). [Highlighting added by The City of Calgary]</p> <p>AUI: Proposed changes are consistent with those addressed at the last Rule 002 Review consultation.</p> <p>EDTI: EDTI supports the proposed revisions to section 1.1. EDTI suggests the first sentence be revised to: “This rule measures the quality of service provided by owners of electric distribution systems that qualify as “electric utilities” as defined in the</p>	<p>Agreed. Please see response below.</p>

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				<p><i>Electric Utilities Act</i> S.A. 2003, c.E-5.1 (<i>Electric Utilities Act</i>) and gas distributors as defined in the <i>Gas Utilities Act</i> R.S.A. 2000, c. G-5 (<i>Gas Utilities Act</i>).</p> <p>EDTI suggests that consistent wording be used when describing the responsibilities of "owners", "entities" and "parties".</p> <p>EDTI suggests that the last paragraph be changed to read:</p> <p>"This rule sets minimum service standards for distribution system owners subject to its application. Nothing in this rule is to be construed as relieving owners of other service quality obligations as set out in other applicable statutes, regulations or AUC rules."</p>	
				<p>UCA: In Section 1.1, the revised rule states:</p>	<p>Based upon EDTI's and the UCA's input, the</p>

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				<p>This rule <u>measures</u> the quality of service provided by owners of electric distribution systems as defined in the Electric Utilities Act S.A. 2003, c.E-5.1 (Electric Utilities Act) and that qualify as "electric utilities" under the same statute and gas distributors as defined in the Gas Utilities Act R.S.A. 2000, c. G-5 (Gas Utilities Act).</p> <p>The rule does not measure anything, utilities must measure. The UCA propose the following changes:</p> <p>This rule <u>requires</u> that owners of <u>electric distribution systems measure and report</u> the quality of service provided by owners of electric distribution systems as defined in the</p>	<p>Commission will change the wording to read as follows:</p> <p>"This rule creates standards for the quality of service provided by owners of electric distribution systems that qualify as "electric utilities" as defined in the <i>Electric Utilities Act</i> S.A. 2003, c.E-5.1 (<i>Electric Utilities Act</i>) and gas distributors as defined in the <i>Gas Utilities Act</i> R.S.A. 2000, c.G-5 (<i>Gas Utilities Act</i>). Quality of service reporting for regulated rate providers and default supply providers, as defined in the <i>Electric Utilities Act</i> and <i>Gas Utilities Act</i>, respectively, is performed in accordance with AUC Rule 003: <i>Service Quality and Reliability Performance Monitoring and Reporting for Regulated Rate Providers and Default Supply Providers</i> (Rule 003). Stakeholders are cautioned that, under some circumstances, a given entity may have</p>

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				Electric Utilities Act S.A. 2003, c.E-5.1 (Electric Utilities Act) and that qualify as "electric utilities" under the same statute and gas distributors as defined in the Gas Utilities Act R.S.A. 2000, c. G-5 (Gas Utilities Act).	reporting obligations under both AUC Rule 002: <i>Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors</i> (Rule 002) and Rule 003. This rule sets minimum service standards for distribution system owners subject to its application. Nothing in this rule is to be construed as relieving owners of other service quality obligations as set out in other applicable statutes, regulations or AUC rules."
2 Measurement and reporting protocol	2.2 Rule 002 annual report	(3) Whenever the service standards set out in Section 4 or Section 5, as may be applicable, are not met by an owner, the reasons for failing to meet the standard and the corrective actions taken must be explained in the Rule 002 annual report. If the Commission is satisfied that exceptional circumstances beyond the control of the owner existed, the	(3) Whenever the service standards set out in Section 4 or Section 5, as may be applicable, are not met by an owner, the reasons for failing to meet the standard and the corrective actions taken must be explained in the Rule 002 annual report.	ATCO Gas: Agree with change.	

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		<p>Commission will consider the degree to which those circumstances factored into the failure when determining whether or not to take further action. The burden shall be on the owner to demonstrate that its level of preparedness and response was reasonable in light of the circumstances surrounding the failure to meet the standard.</p>		<p>IPCAA: It is understood that if an owner fails to meet an applicable standard, the Commission nevertheless retains its discretion to take such further actions as it considers appropriate, and to determine where the burden of proof may lie. On this understanding, the removal of this language is not of substantial import.</p> <p>Calgary: Calgary would request that the existing shaded wording be preserved until such time as parties have been able to observe and reflect upon the annual review “straw model” proposed by the Commission for the Annual review process. [Highlighting added by The City of Calgary]</p>	<p>Agreed.</p> <p>The portion of the provision in question is being removed pending assessment of whether or not it is currently appropriately located within the rule.</p>

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				EDTI: EDTI supports the proposed revisions to section 2.2(3).	
				AUI: No objection.	
4 Measurements of performance and service quality standards for owners of electric distribution systems	4.2 Work completion performance measures	<p>(3) Owners must track and report the following for off-cycle meter read request transactions (ROR) and off-cycle meter read completion transactions (ROC) described in Section 9 of Rule 021:</p> <p>(a) Percentage of completed off-cycle meter reads where the time taken from the date of the request to perform the work (from the retailer) to the date of the response back to the retailer that the work has been successfully completed is five business days or less. The starting and ending times for this measurement are the time stamps given to the transactions (RORs and ROCs) in the owner's system.</p> <p>(b) Total number of completed off-cycle meter reads per month.</p>	Deletion of Section 4.2(3)	EPC: While surprised at the complete deletion of S. 4.2(3), EPC understands and fully supports the rationale behind it.	
				ATCO Gas: No issues with change.	
				IPCAA: ROR and ROC transactions are immaterial to IPCAA.	
				EDTI: EDTI supports the deletion of the ROR and ROC work completion metrics from Rule 002.	
				AUI: Electric utility provision – AUI has no comment	
				UCA: The Commission deleted Section 4.2 (3). This removed requirement to track and report off cycle requests and completions for	This metric was created to correct a problem that existed in the marketplace. That issue has since been resolved by market participants. The metric is no longer

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				meter reads. The UCA would like an explanation why this was deleted.	relevant to Rule 002.
	4.4.1 System average interruption frequency index (SAIFI)	<p><i>Where:</i></p> <p><i>Total customers served = The average number of customers served in the region during the reporting period. This means the number of customer services fed at secondary, primary and sub-transmission voltages. A customer is defined as a metered service.</i></p>	<p><i>Where:</i></p> <p><i>Total customers served = The average number of customers served by the owner. A customer is defined as a metered service.</i></p>	ATCO Gas: No issues with change.	
IPCAA: The definition of SAIFI is an industry standard per CEA, and this definition is understood to be interpreted in conformance with the industry norm.				The change does not contradict the CEA definition and provides an extra level of clarity.	
EDTI: EDTI supports the proposed revision to section 4.4.1.					
AUI: Electric utility provision – AUI has no comment					
	4.4.2 System average interruption duration index (SAIDI)	<p><i>SAIDI = ((customer services interrupted) x (period of interruption)) ÷ total customers served</i></p>	<p><i>SAIDI = ((customer services interrupted) x (period of interruption in hours)) ÷ total customers served</i></p>	ATCO Gas: No issues with change.	
IPCAA: As above				As above.	
EDTI: EDTI supports the proposed revision to section 4.4.2.					
AUI: Electric utility provision – AUI has no comment					

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		<p><i>Where:</i> <i>Total customers served = The average number of customers served in the region during the reporting period. This means the number of customer services fed at secondary, primary and sub-transmission voltages. A customer is defined as a metered service.</i></p>	<p><i>Where:</i> <i>Total customers served = The average number of customers served by the owner. A customer is defined as a metered service.</i></p>	<p>ATCO Gas: No issues with change. IPCAA: As above AUI: Electric utility provision – AUI has no comment</p>	<p>As above.</p>
	<p>4.4.3 SAIDI of worst-performing circuits on the system</p>	<p>(1) The owner must identify, for each calendar year, the worst-performing circuits on its system. Worst-performing circuits shall be determined by comparing annual SAIDI results of all of the circuits. The three per cent of the circuits with the highest SAIDI values shall be considered the worst-performing circuits and shall be reported in the Rule 002 annual report. The owner must identify the factors underlying the poor performance of these circuits and describe the actions that are being considered or have been implemented to improve the reliability of these circuits as part of the Rule 002 annual report.</p>	<p>(1) The owner must identify, for each calendar year, the worst-performing circuits on its system. Worst-performing circuits shall be determined by comparing annual unplanned SAIDI results for each of its circuits. The three per cent of the circuits with the highest SAIDI values shall be considered the worst-performing circuits and shall be reported in the Rule 002 annual report. The owner must identify the factors underlying the poor performance of these circuits and describe the actions that are being considered or have been implemented to improve the reliability of these circuits as part of the Rule 002 annual report.</p>	<p>ATCO Gas: No issues with change. IPCAA: The adjustment for planned vs unplanned outages is understood to comport with industry norms. EDTI: EDTI supports the proposed revisions to section 4.4.3. AUI: Electric utility provision – AUI has no comment</p>	

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Appendix C – SAIFI and SAIDI service standards for 2013 for owners of electric distribution systems subject to this rule		Appendix C – SAIFI and SAIDI service standards for 2013 for owners of electric distribution systems subject to this rule	Appendix C – SAIFI and SAIDI service standards for owners of electric distribution systems subject to this rule	ATCO Gas: No issues with change.	
				IPCAA: Agreed	
				AUI: Electric utility provision – AUI has no comment	
		EPCOR Distribution & Transmission Inc.	EPCOR Distribution & Transmission Inc.	ATCO Gas: No issues with change.	
		Maximum SAIFI excluding major events: 1.35 or less	Maximum SAIFI excluding major events: 1.30 or less	IPCAA: It is understood that any identified reliability concerns will be part of the annual review, and that during this transition to new outage management systems a broad view of customer concerns will be taken, beyond mere compliance with numeric standards.	Acknowledged.
		Maximum SAIDI excluding major events: 1.44 or less	Maximum SAIDI excluding major events: 0.90 or less		
		EDTI: EDTI's maximum SAIFI excluding major event days should be set at 1.50 or less EDTI's maximum SAIDI excluding major event days should be set at 1.05 or less	EDTI's original targets were based upon five years of historical data available at the time (December 2012). A target was set at the historical five year average plus one standard deviation. Two other electric distribution companies had targets		

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				<p>EDTI is strongly opposed to the proposed new SAIDI and SAIFI reliability performance standards for EDTI on the basis that:</p> <ul style="list-style-type: none"> The proposed SAIDI and SAIFI standards for EDTI are too restrictive. Based on the proposed standards, EDTI would have been out of compliance in 3 of the 6 years prior to the implementation of PBR (2007-2012), for a period which the Commission determined the service levels provided by EDTI were acceptable.¹ By contrast, none of the other electric distribution system owners would have been out of compliance even once over 	<p>set in a similar manner with an adjustment (as discussed at the November 2012 consultation at which EDTI was a party to) applied to the data for those implementing an Outage Management System (OMS). EDTI was not implementing OMS at the time so no adjustment was made. In February 2013, EDTI submitted its 2012 Rule 002 annual report which, in addition to providing 2012 data, re-stated historical data for 2008 through 2011 using the new methodology for calculating major event days. As a consequence SAIDI and SAIFI with major event days excluded materially changed. Subsequently, AUC staff revised the service standards to reflect the new data. None of the other owners had material changes in their data so no other</p>

¹ AUC Decision 2012-237 (PBR Decision), paragraph 868.

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				<p>the 6 year pre-PBR period under the standards proposed for them.</p> <ul style="list-style-type: none"> The proposed SAIDI and SAIFI standards for EDTI reflect a much tighter band around EDTI's historical pre-PBR performance. The proposed standards for EDTI reflect one standard deviation from EDTI's 5 year historical average performance, whereas the standards for the other owners reflect at least approximately 2 standard deviations from the 5 year average historical performance. EDTI's minimum performance standards have been determined 	<p>changes were proposed. In addition, on October 9, 2013, the rationale for the proposed revision was discussed with EDTI staff along with reinforcing that imposition of a penalty would not be automatic. The Commission would review all of the facts (whether it be as a part of the annual review meeting or as part of an enforcement proceeding) and will assess what course of action (if any) is required given the amount of data and how large the SAIDI or SAIFI number is.</p> <p>Despite the above rationale, the Commission has considered EDTI's concerns and recognizes that in recent years EDTI's SAIDI and SAIFI data have been volatile and as such have taken that volatility into consideration and at this time will not change EDTI's service standards. These</p>

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				<p>by the AUC using reliability data for time periods that are different from those used for the other owners.</p> <p>See the detailed analysis provided by EDTI at the end of this comment matrix.</p>	<p>standards will be reviewed with EDTI and stakeholders during the 2014 annual review meeting.</p>
				<p>AUI: Electric utility provision – AUI has no comment</p>	
<p>Appendix D – Alberta gas distributors' monthly meter reading service standards for 2013</p>		<p>Appendix D – Alberta gas distributors' monthly meter reading service standards for 2013</p>	<p>Appendix D – Alberta gas distributors' monthly meter reading service standards</p>	<p>ATCO Gas: Agree with change.</p>	
				<p>IPCAA: Not of concern to IPCAA</p>	
				<p>Calgary: This metric requires upward revision of the current threshold of 75% or greater for ATCO Gas. In a press release dated August 1, 2013 Itron, Inc. stated that it had <i>“completed installation of its automated gas metering solution for ATCO Gas, provider of natural gas service to more than one</i></p>	<p>In the consultation meetings during 2012, the AUC understood the concern to be how to ensure that companies with monthly meter reading included in their rates have sufficient targets in place to prevent them from cutting back on the frequency of their meter reading in order to save money. A company that intentionally cuts back on its meter reading to save</p>

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				<p><i>million customers in Alberta, marking the largest gas automation project in Canada to date. Itron's gas metering solution included 1.1 million gas communication modules, mobile and handheld collectors and associated software."</i></p> <p>The current threshold of 75% is based upon a blend of automated and manual meter reads, and assumed full conversion by 2015.</p>	<p>money (e.g. switching to bi-monthly reads) would have difficulty in reaching a 75 per cent target. While the electric companies that have AMR operate at a greater percentage than the proposed 75 per cent for gas, the gas implementation of AMR is different. For electricity, the reads can travel back up the same power lines that bring the customers the electricity. ATCO Gas's implementation of AMR will involve driving by the meters to obtain the reads. As more data becomes available that is indicative of the results that can be expected from ATCO Gas with AMR in place, the AUC will re-evaluate the service standard. This service standard will be reviewed at the 2014 annual review meeting.</p>
Appendix E – Alberta gas		Appendix E – Alberta gas distributors' customer	Appendix E – Alberta gas distributors' customer	AUI: No objection	
				ATCO Gas: Agree with change.	

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distributors' customer appointments service standards for 2013		appointments service standards for 2013	appointments service standards	IPCAA: Not of concern to IPCAA	
				AUI: No objection	
Appendix F Alberta gas distributors' emergency response service standards for 2013		Appendix F Alberta gas distributors' emergency response service standards for 2013	Appendix F Alberta gas distributors' emergency response service standards	ATCO Gas: Agree with change.	
				IPCAA: Not of concern to IPCAA	
				AUI: No objection	
	AltaGas Utilities Inc.	(3) Operations survey results of surveys left at emergency sites must have less than 10 per cent of responses indicating "not satisfied at all"	(3) Results of surveys conducted with emergency sites must have less than 10 per cent of responses indicating "not satisfied at all"	ATCO Gas: No issues with change.	
				IPCAA: Not of concern to IPCAA	
				AUI: Suggest wording state: Results of surveys conducted on emergency calls must have less than 10 per cent of responses indicating "not satisfied at all"	In order to better reflect AUI's emergency response survey process, the Commission will change the wording to read as follows: "Results of surveys conducted based upon emergency calls must have less than 10 per cent of responses indicating "not satisfied at all"
Appendix G – Alberta gas distributors' call answering service standards for 2013		Appendix G – Alberta gas distributors' call answering service standards for 2013	Appendix G – Alberta gas distributors' call answering service standards	ATCO Gas: Agree with change.	
				IPCAA: Not of concern to IPCAA	
				AUI: No objection	

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General comments	<p>FortisAlberta:</p> <p>The Commission received a letter from FortisAlberta stating that: "FortisAlberta agrees with the proposed revisions to AUC Rule 002 as posted on the AUC website and has no further comments."</p>				
	<p>ATCO Electric:</p> <p>The Commission received an email from ATCO Electric stating that: "ATCO Electric has no comments on the proposed changes to Rule 002 per bulletin 2013-23"</p>				
	<p>UCA:</p> <p>In addition to the changes proposed in the table, the Commission received an email from the UCA stating that: "Many of the changes to the rule are minor in nature. Most of the material changes are in Sections 1, 2 and 3. Generally, the changes are OK."</p>				
	<p>Devon:</p> <p>The Commission received a letter from Devon stating that: "Devon operates a SAGD development in the Conklin area and has other operations throughout Alberta. Devon's expansion plans require increased power consumption and a reliable grid system. Devon relies heavily on the Electric Distribution firms for power supply, and specifically Fortis Alberta in the Conklin area.</p> <p>Devon is generally concerned that the incentives placed on Distribution firms in Performance Based Ratemaking may lead to a drop in reliability of the electrical facilities feeding its projects. Devon is pleased that the proposed rules include an assessment of line reliability. The measures proposed will help monitor general trends and problem areas and may be effective in ensuring that the reliability of distribution facilities is maintained. Devon would also support the establishment of clear targets for each measure and associated consequences.</p> <p>Devon will continue to monitor the performance of the electrical system in the areas in which it is served. Devon will also review the Rule 002 reports in 2014 and future years.</p> <p>Devon would also appreciate an invitation to attend the Annual meeting where the performance metrics are reviewed."</p>				
	<p>ATCO Gas:</p> <p>In addition to the changes proposed in the table, ATCO Gas submitted the following additional proposed change:</p>				
	5.1 Billing and meter reading performance measures	5.1.1 Monthly billing and meter reading performance	<p>1) Owners shall report the total number of sites each month that fall into each of the following categories:</p> <p>(a) De-energized sites.</p> <p>(b) Cumulative metered</p>	<p>1) Owners shall report the total number of sites each month that fall into each of the following categories:</p> <p>(a) De-energized sites.</p> <p>(b) Cumulative metered</p>	<p>ATCO Gas: It was discussed in the October 2013 consultative process that ATCO Gas calculates meter reading performance</p>

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		<p>energized sites with actual meter readings obtained by the MDM and provided to parties in accordance with Section 9 of AUC Rule 028: Natural Gas Settlement System Code Rules (Rule 028) (as opposed to customer reads or actual reads not provided to parties in accordance with that section).</p> <p>(c) Cumulative metered, energized sites with AMR devices, without actual meter readings provided to parties in accordance with Section 9 of Rule 028.</p> <p>(d) Cumulative metered, energized sites without AMR devices, without actual meter readings provided to parties in accordance with Section 9 of Rule 028.</p> <p>(e) Cumulative metered, energized sites without AMR devices, without actual meter readings provided to parties in accordance with Section 9 of Rule 028 where an AMR device was refused by the customer.</p>	<p>energized sites with actual meter readings obtained by the MDM and provided to parties in accordance with Section 9 of AUC Rule 028: Natural Gas Settlement System Code Rules (Rule 028) (as opposed to customer reads or actual reads not provided to parties in accordance with that section).</p> <p>(c) Cumulative metered, energized sites with AMR devices, without actual meter readings provided to parties in accordance with Section 9 of Rule 028.</p> <p>(d) Cumulative metered, energized sites without AMR devices, without actual meter readings provided to parties in accordance with Section 9 of Rule 028.</p> <p>(e) Cumulative metered, energized sites without AMR devices, without actual meter readings provided to parties in accordance with Section 9 of Rule 028 where an AMR device was refused by the customer.</p>	<p>based on actual reads obtained and does not have a method to measure how many actual reads get sent to the retailer for billing.</p> <p>It was noted that ATCO Gas could continue reporting this way and to make a note of this in the annual report.</p> <p>However, if we make the suggested terminology changes and remove the words “and provided to parties” ATCO Gas would be in compliance and no note to the annual report is then required.</p>	<p>purposes). However, the Commission recognizes the considerable expense that ATCO Gas would have to incur to become compliant. Rather than change the rule to reflect current system limitations, the Commission would prefer for ATCO Gas to make the necessary changes when it is undergoing a major system change at some point in the future.</p>
General comments	<p>EDTI: In addition to the changes proposed in the table, EDTI submitted the following additional proposed change.</p>				


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2 Measurement and reporting protocol		<p>For the purpose of collecting data and reporting on performance as required in Section 4 or Section 5, the owner must comply with the information filing requirements set out in this Section 2.</p> <p>The owner must advise the Commission of any change to the owner's internal reporting methods that may impact its ability to comply with this Rule 002 and provide an explanation for the change prior to implementing such a change. Any data related to this rule that reflect significantly altered measurement procedures or internal data acquisition methods shall be subject to Commission review and approval.</p>	<p>Owners must comply with the information filing requirements contained in this section when collecting and reporting performance data in accordance with sections 4 and 5 of this rule.</p> <p>Owners must promptly advise the Commission of any change to the owner's internal reporting methods that may impact compliance with this rule and provide explanations for any such change prior to implementation. Any proposed change to an owner's internal reporting method that reflects a significant alteration of measurement procedures, data acquisition methods, or both, may not be implemented without prior Commission approval.</p>	<p>EDTI: The introduction to section 2 is too vague and requires further clarity prior to implementation. Amongst others, the Commission should address and provide clarity for the following:</p> <ul style="list-style-type: none"> • What is the Commission's definition of "promptly" in the context of advising the Commission of changes to the owner's internal reporting methods that may impact compliance with this rule? • What is the Commission's definition of "significant" in the context of alterations to measurement procedures or data acquisition methods that may impact compliance with this rule? 	<p>The Commission acknowledges the concerns identified by EDTI and will postpone implementing the identified changes pending further consideration and consultation.</p>

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				<ul style="list-style-type: none"> • What is the AUC's intended process for obtaining Commission approval for proposed changes to an owner's internal reporting methods that reflects a significant alteration of measurement procedures, data acquisition methods, or both? • Should the Commission approve EDTI's 2012 PBR Capital Tracker Application (Application No. 1608827 / ID No. 2131) to install an OMS/DMS system EDTI notes that both its existing measurement procedures and data acquisition methods for capturing reliability performance information would 	

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				change from those currently used by EDTI. Please confirm that EDTI would be required to submit an Application seeking Commission approval prior to implementing changes to the measurement procedures and data acquisition methods with respect to EDTI's reliability performance metrics due to the implementation of OMS/DMS.	
General comments	<p>EDTI: <u>Appendix C – SAIFI and SAIDI service standards for EDTI</u></p> <ol style="list-style-type: none"> The following are EDTI's comments on the SAIDI and SAIFI service standards proposed by Commission staff for EDTI. The analysis demonstrates that the thresholds proposed for EDTI are entirely unfair and inequitable, are inconsistent with the Commission's first PBR principle, and given the financial penalties attached to them, will likely result in EDTI potentially being penalized over the course of the PBR term for no valid reason, thus being denied a reasonable opportunity to recover its prudent costs of providing distribution service. The existing (2013) AUC Rule 002 electric distribution utility SAIDI and SAIFI reliability performance standards were determined based on the mitigation targets proposed by each owner in their stakeholder consultation submissions to the AUC (Rule 002: Proposed changes for 2013, AUC response to Stakeholder comments, page 67, "The AUC has accepted the mitigation targets proposed by each owner and has identified them as the service standard."). Table 1 below summarizes the mitigation targets proposed by the electric distribution utilities in their respective submissions. 				

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Table 1						
	Electric Distribution Utility	A SAIFI Mitigation Target	B SAIDI Mitigation Target	C Basis for the Determination of the Utilities' Mitigation Targets	D Comments	
	1 EDTI	5 year average of 2007-2011 performance plus one standard deviation		EDTI submitted that the Rule 002 SAIFI and SAIDI metrics should be reported as the five year rolling average (the reporting year plus the 4 previous years) of the annual performance results (including all sustained interruptions and excluding Major Event Days and interruptions related to loss of BES and loss of supply on systems operated by other wire owners). The 2013 revision of Rule 002 requires the reporting of annual SAIFI and SAIDI results, rather than the reporting of five year rolling average results which formed the basis for EDTI's proposed mitigation threshold methodology.	EDTI proposed a formulaic methodology for establishing mitigation and penalty thresholds (compared to specific value targets proposed by other utility owners) in its stakeholder consultation submission. EDTI's proposed targets were based on EDTI's expectation that the thresholds would be applied to 5 year rolling averages reported in the annual Rule 002 reports (rather than annual performance values). The use of 5 year rolling averages in determining performance thresholds is consistent with EDTI's PBR Submission (Application 1608827/ID No. 2131) and the reliability performance metrics approved by the Commission for ENMAX (Decision 2009-035)	
	2 ENMAX	1.0	0.5	5 year rolling average; ENMAX FBR threshold and methodology	FBR thresholds are based on the annual reporting 5 year rolling average metrics (the reporting year plus the 4 previous years).	
	3 FortisAlberta	2.3	4.28	Target reflects an estimated increase of 60% and 110% with respect to the SAIFI and SAIDI targets, respectively, post-OMS deployment compared to manual recording. The mitigation band reflects a 25% buffer to accommodate the expected variations in results over time.	Fortis implemented OMS in October, 2013.	
	4 ATCO Electric	2.69	8.86	Interim mitigation threshold is 25% above the average SAIFI and SAIDI metrics from all available post-OMS data (SAIFI = 2.69 and SAIDI = 8.86 based on 2011 data; to be updated each year as more historical data becomes available.	ATCO Electric implemented OMS in 2010.	
3. In its 2012 annual Rule 002 submission, EDTI reported its 2012 "without major events included" reliability performance results						

Section	Subsection	Existing	Proposed changes	Stakeholder comment (Directly quoted from stakeholders' written submissions)	AUC response		
		<p>determined using the methodology outlined in section 4.4 of the AUC Rule 002 revision which came into effect on January 1, 2013 (i.e., using the IEEE Standard 1366, section 4.5 calculation methodology). This represented a change from the methodology EDTI used in previous Rule 002 annual reports in determining its "without major events included" reliability performance. As such, in order to provide an "apples to apples" comparison of EDTI's 2012 performance to its reliability performance for each of the 4 previous years (which are also reported in the annual report), EDTI restated its 4 previous years (2008-2011) "without major events included" reliability performance metrics determined using the same methodology as used to determine EDTI's 2012 performance metric.</p> <p>4. Analysis of the calculation methodology used to determine Commission staff's proposed Rule 002 SAIFI service standard for EDTI (Appendix C - Rule 002) shows that the proposed service standard is equal to the sum of (1) the average of EDTI's 2008-2012 actual SAIFI "without major events included" performance metrics, and (2) one standard deviation of EDTI's 2008-2012 actual SAIFI "without major events included" performance metrics. Similarly, the Commission staff's Rule 002 proposed SAIDI service standard for EDTI is equal to the sum of (1) the average of EDTI's 2008-2012 actual SAIDI "without major events included" performance metrics, and (2) one standard deviation of EDTI's 2008-2012 actual SAIDI "without major events included" performance metrics.</p> <p>5. Based on an analysis undertaken by EDTI of the electric distribution owners' Rule 002 2012 annual reports, Table 2 below compares Commission staff's proposed Rule 002 SAIFI and SAIDI service standards for EDTI with the service standards proposed by Commission staff for the other electric utility owners. The table also summarizes the number of times each utility company would not have met Commission staff's proposed Rule 002 SAIFI and SAIDI service standards over the 2007-2012 period.</p>					
Table 2							
	A SAIFI Service Standard	B SAIDI Service Standard	C SAIFI Performance Target	D SAIDI Performance Target	E Number of Times SAIFI Standard was Not met (2007-2012)	F Number of Times SAIDI Standard was Not met (2007-2012)	
1	EDTI	1.30	0.90	Average of 2008-2012 actual plus 1.0 standard deviation	Average of 2008-2012 actual plus 1.0 standard deviation	1	2
2	ENMAX	1.00	0.50	Average of 2008-2012 actual plus approximately 1.9 standard deviations	Average of 2008-2012 actual plus approximately 1.8 standard deviations	0	0
3	Fortis Alberta	2.30	4.28	Average of 2008-2012 actual plus approximately 9 standard deviations	Average of 2008-2012 actual plus approximately 44 standard deviations	0	0
4	ATCO Electric	2.69	8.86	Average of 2008-2012 actual plus approximately 2.2 standard deviations	Average of 2008-2012 actual plus approximately 2.1 standard deviations	0	0

Section	Subsection	Existing	Proposed changes	Stakeholder comment (Directly quoted from stakeholders' written submissions)	AUC response	
	5 ATCO Electric	Post OMS (2011-2012 data)	Average of 2011-2012 actual plus an approximate 22% buffer	Average of 2011-2012 actual plus an approximate 25% buffer	0	0
<p>Note: EDTI's analysis in Columns C and D is based on an extrapolation of the Rule 002 reliability performance graphs included in each distribution owner's Rule 002 annual report (AUC website Rule 002 Service Quality and Reliability Plans)</p>						
<p>6. In Decision 2012-237 (the PBR Decision) the Commission determined that the service levels currently provided by Alberta's distribution utility companies are acceptable.² As illustrated in the table above, EDTI would not have met the proposed Rule 002 reliability service standards in three of the last (i.e., pre-PBR) six years. As such, had the Commission staff's proposed service standards been in effect, EDTI would have been required to report these below standard performance metrics in EUI's audited financial statements and securities disclosure filings; would have been subject to increased regulatory scrutiny; and, potentially would have been subject to performance penalty review proceedings. The resulting uncertainty, increased financial risk and increased regulatory burden is clearly not in keeping with the Commission's determination that EDTI's pre-PBR reliability service levels are acceptable.</p> <p>7. EDTI also notes that EDTI is the only electric distribution utility owner for which Commission staff is using 2012 actual reliability results to determine EDTI's proposed new Rule 002 SAIFI and SAIDI service standards.</p> <p>8. EDTI's analysis demonstrates that its maximum SAIFI service standard excluding major event days should be 1.50 or less, and its maximum SAIDI service standard excluding major event days should be 1.05 or less. These service standards are consistent with the standards established for ENMAX and ATCO Electric, which reflect five years of pre-PBR historical average performance plus two standard deviations (as opposed to merely one standard deviation as is the case in the draft for EDTI).</p> <p>AUC response:</p> <p>Please see the response provided by the Commission to EDTI's comments regarding Appendix C – SAIFI and SAIDI service standards for owners of electric distribution systems subject to this rule.</p>						
<p>The City of Calgary:</p> <div style="text-align: center;">  <p>City of Calgary submissions re: 2014</p> </div>						

² AUC Decision 2012-237, paragraph 868 “The Commission has reviewed the service quality and reliability annual reports of the companies and agrees with the UCA that the service levels currently provided by the companies are acceptable. The Commission will require the companies to maintain their current levels of service quality throughout the PBR term.”

Section	Subsection	Existing	Proposed changes	Stakeholder comment (Directly quoted from stakeholders' written submissions)	AUC response
					<p>AUC response:</p> <p>“For metrics whose calculation is based upon an arithmetic mean, please clarify why and how service improvement would be required by the utility if the threshold for that metric was set at a historical average”</p> <ul style="list-style-type: none"> • Please refer to the Rule 002 stakeholder consultation meeting summaries, found on the AUC website under the Rule Development tab, Rule 002 & 003 – Service Quality & Reliability. The City of Calgary was present at these consultation meetings where background information was discussed. <p>“For the metrics established for gas distributors, please provide the range of fluctuating data upon which the Commission has relied upon to set the particular target/threshold for the metric”</p> <ul style="list-style-type: none"> • Please refer to the Rule 002 stakeholder consultation meeting summaries, found on the AUC website under the Rule Development tab, Rule 002 & 003 – Service Quality & Reliability. The City of Calgary was present at these consultation meetings where background information was discussed. <p>“For metrics which were based on “cases where there are only one or two years of data” available, please identify which metrics which meet this criterion, and confirm that Commission’s intended process to review such metrics “as more data becomes available.” ”</p> <ul style="list-style-type: none"> • Please refer to the Rule 002 stakeholder consultation meeting summaries, found on the AUC website under the Rule Development tab, Rule 002 & 003 – Service Quality & Reliability. The City of Calgary was present at these consultation meetings where background information was discussed. • In those instances where there is only a couple years of data available, the Commission cannot say with certainty what the historical range is. As more years of data accumulate, the Commission can always re-examine the service standard. Should levels trend downward (as opposed to fluctuating up and down), the Commission will mitigate as necessary to ensure that no degradation of service occurs. New data will be reviewed at the 2014 annual review meetings.