**Response to Request for Information**
**PUB-26**
**1996 General Rate Proceeding**

Q. Is it correct to conclude from this testimony that whereas it now takes 40 persons to read all routes in a single month, in the future this manpower requirement will be cut by 20 percent to 32 persons? If so, what explains the current level of inefficiency and why hasn't it been corrected previously?

A. Yes, after implementation of route optimization approximately 32 person-years will be required to read all meters monthly.

The Company has referred to optimizing meter reading routes in Mr. Erbland's Testimony Page 7, lines 9 and 10. Route optimization is the process of reviewing the grouping of the meters into routes as well as the order of the routes. Over time, as new accounts are added or deleted, the routes become disjointed. Route optimization rectifies this problem. Route optimization is a surprisingly complex procedure.

Prior to CSS, the account number had the route number embedded in it. Changing routes led to a changed account number. This was confusing to the customer and added extra complexity to the optimization process. Frequent optimization was avoided in order to avoid inconveniencing customers.

The implementation of hand held meter reading and the CSS has improved the Company's ability to optimize routes but it still remains a time consuming project. The estimate for route optimization today is in excess of $70,000. There will still be some disruption to customers as reading days get moved forward or backward. If a customer is presently read on Day 5, they could move to Day 19. This would result in a bill which covered either 6 weeks of energy consumption or 2 bills in one month.

The Company proposes to implement monthly meter reading in 1996 in order to facilitate implementation of the Provincial Electricity Surcharge. The Company plans to optimize the meter routes in 1997 after the change to monthly meter reading.

The Company last optimized its routes in 1985. At that time the project took 725 person days at a cost of $77,651. The Company planned a route optimization project in 1993. This was pre-empted, however, by the decision to implement bimonthly meter reading as a cost saving measure. The Company felt strongly that it would be inappropriate to implement bimonthly meter reading followed immediately by route optimization . The basis of this is that route optimization can be disruptive to customers in that it means changing billing days. The approach adopted was to implement bimonthly meter reading first with the intent to optimize routes at a later date.

During the same timeframe the Company embarked on a program to centralize its customer service function. This also had an impact on the day-to-day relationship with customers. This provided further reason not to introduce route optimization at that time.

Although the change to bimonthly meter reading has achieved a certain amount of acceptance since its introduction in June 1993, many customers are still dissatisfied with this practice. As a consequence, the Company has refrained from implementing route optimization in order not to further disrupt customer service.

The Company believes that most customers will accept the disruption associated with route optimization if it is associated with a return to monthly readings.