

Response to Request for Information
PUB-27
1996 General Rate Proceeding

- Q. Please specify the cost savings and number of meter readers that would prevail with both (1) "optimized meter routes" and (2) bimonthly meter reading.
- A. The proposal put forth by the Company includes a return to monthly meter reading in order to effect the implementation of the Provincial Electricity Surcharge. The cost of reverting to monthly meter reading would be minimized by optimizing the meter reading routes. This would enable the Company to read meters on a monthly basis at a cost, in 1998, that is approximately equal to the cost of reading meters in 1996.

The testimony did not present the costs of reading meters on an optimized bimonthly basis because the introduction of the Provincial Electricity Surcharge would preempt the use of bimonthly meter reading. The Company is also concerned that a significant number of its customers continue to be dissatisfied with bimonthly reading. Given the relatively modest difference in cost between monthly and bimonthly optimized reading, the Company believes that a return to monthly readings is the right course to pursue in any event. Presented below is a comparison of costs for optimized monthly meter reading with optimized bimonthly reading.

	<u>1997</u>	<u>1998</u>
Optimized Monthly Reading	\$1,991,000	\$1,748,000
Optimized Bimonthly Reading	\$1,802,000	\$1,589,000

The Company would continue to read all routes in December and January and require 32 readers in those months. In the other months the Company would require 25 readers.

Both options cost more in 1997 than in 1998 due to the cost associated with the implementation of route optimization.

Optimized bimonthly meter reading is more cost efficient in 1997 due to six months of non-optimized meter reading under the monthly option. The most appropriate year for comparison purposes is 1998 as both options would be optimized for the entire year.