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**CG-DERS-2**

**Topic:** MSA – Schedule E – Benchmarking and Paragraph 8.5 Price Changes in the DERS MSA with ATCO I-Tek

**Reference:** DEML MSA with ITBS requested in the above IR

**Preamble:** The CG wishes to confirm that the benchmark performed by DLAI meets the criteria outlined in the referenced MSA.

**Request:**

- (a) Please confirm the September 20, 2004 DLAI report titled “Results of Benchmark Study into Customer Care Costs and Services at Fourteen Canadian Utilities” meets all the criteria outlined in the DEML MSA with ITBS, Schedule E – Benchmarking of the MSA.
- (b) If the answer to (a) above is not confirmed, please explain in detail, the reasons why the September 20, 2004 report does not meet all the benchmark criteria.

**Response:**

- (a) No. The criteria described in Schedule E of the MSA were developed in specific response to the Price Review mechanism described in Section 8.5 of the MSA.
- (b) The benchmarking exercise conducted by DLAI in this instance is in response to the direction provided by the Board in Decision 2003-106.

The criteria described in Schedule E of the MSA indicate that the benchmarking consultant is to be contracted by the Supplier, in this case ATCO I-Tek. (Section 1.1) This would not have been appropriate in this circumstance, as the Board in Decision 2003-106 directed DERS to conduct the benchmarking.

The criteria described in Schedule E of the MSA states that benchmarking will address the following areas: (Section 2.1)

- Services performed
- The Service Levels achieved for the Services contracted,
- The price, considered as a whole, for the Services, with consideration to the associated Service Levels.

In this circumstance, the Board accepted the services and service levels in the MSA and directed that the benchmark establish the fair market value for the services provided with a view to the overall cost to customers. (Decision 2003-106, page 86 & 87) This is not the focus or intent of the exercise described in Schedule E of the MSA.

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**CG-DERS-3****Topic: MSA – Schedule E - Benchmarking****Reference:** DEML MSA with ITBS as provided in the response to the above IR, Schedule E- Benchmarking, Article 6. Remedies / Actions.

Platt's Final Summary Report Business Process Outsourcing Study as filed by the City of Calgary during the proceeding for DERS Application No. 1302109 for Approval of RRT/DRT Rates for 2003/04; and the following discussion during this same proceeding from Board counsel, Mr. McNulty, and Calgary witness Ms. Gogel:

24 A. No, I'm sorry, I think I misspoke. Let me just look at  
25 the numbers.

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1 I sent out 14 surveys; 8 responded; 3 were  
2 multiservice vendors; five were single service vendors.  
3 That's correct. Of the 3 multiservice vendors, 1 was a full  
4 suite and the remaining 2 were offered more than one  
5 service. So I am not amending what I have in that executive  
6 summary.

7 Q. And by full suite, ma'am, do you mean including  
8 metering?

9 A. That's correct.

10 Q. Ma'am, do you feel that the past research, together  
11 with this new primary research, gives you sufficient  
12 information to call your report a benchmark of ATCO I-Tek  
13 services and pricing?

14 A. No, I do not think --

15 Q. What would you have to do to complete a benchmark?

16 A. Well, benchmarking is really about looking at a group  
17 of companies' processes that then drive to the cost or  
18 performance metrics. So in order to really conduct a true  
19 benchmarking study, you would get a group of companies  
20 anywhere from, I would be comfortable from 12 to 25, look at  
21 each of the customer care processes and how that service is  
22 delivered, understanding service levels, understanding the  
23 drivers of that process to get to a cost; and I would also  
24 do it by process. So I wouldn't bundle any of the  
25 components; for example, bundling payment processing and  
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1 billing. I would look at each of the components that drive  
2 that service.

3 That, to me, would be certainly a more robust  
4 way of looking at benchmarking. We really, I think, use the  
5 word "benchmarking" loosely in the industry. It's not just  
6 about looking at costs or performance metrics. It's really  
7 more what's behind those numbers, and companies do  
8 benchmarking really to learn from other companies what some  
9 best practices are.

10                   So you want to look at the process that  
11 drives the cost and drives the metrics.  
12 Q. So, ma'am, given that description of what additional  
13 steps you would like to see taken before you could call your  
14 study a benchmark, how confident are you with respect to the  
15 conclusions you reach in your evidence with respect to the  
16 ATCO I-Tek pricing?  
17 A. Well, I don't think I reached any conclusions one way  
18 or the other. The reason I felt it was irresponsible to  
19 conclude that the I-Tek prices was either within market  
20 value or fair market value or outside of it because of the  
21 lack of the minimal number of vendors that participated. If  
22 I had gone through the process, if I had given the time to  
23 go through that process, as I explained earlier, I certainly  
24 would be more comfortable to provide a conclusion as to  
25 whether I-Tek's prices are fair market value or not.

**Preamble:** The CG wishes to understand the actions of DERS and ITBS with respect to the referenced Article 6 in Schedule E and the consequences to DERS of a benchmark.

**Request:**

- (a) Since DERS representatives including DERS counsel were involved and present through the above referenced hearing and heard Ms. Gogel's discussion on benchmarks, please confirm that DERS knows the difference between a price assessment/review (i.e. the Platt's Final Summary Report Business Process Outsourcing Study) and a benchmarking study.
- (b) If the answer to (a) above is not confirmed, please provide a detailed description of a price assessment and a benchmarking study.
- (c) Please confirm that DERS and/or DEML have discussed the benchmark with ITBS.
- (d) If not confirmed, please explain in detail the reasons why not.
- (e) Should the Board's Decision be that the ITBS rates are above FMV, please confirm DERS expects that ITBS will modify the fees in Schedule C of the MSA to reflect the outcome of the benchmark as outlined in the MSA. If not confirmed, please explain in detail the reasons why not.
- (f) Should the Board's Decision in this proceeding be that the ITBS rates are above FMV, and ITBS modifies the fees in Schedule C of the MSA to meet FMV, please confirm DERS/DEML will incur the additional cost.
- (g) If the answer to (f) above is not confirmed, please explain in detail the consequences to DERS/DEML, if any.

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**Response:**

- (a) DERS has a general layman's understanding of the differences, and is of the view that a benchmarking study is more rigorous than a price assessment. Beyond that, however, DERS would defer to expert opinion.
- (b) Please refer to (a) above.
- (c) ATCO I-TEK was provided a copy of both the September 23, 2004 and the December 10, 2004 submissions subsequent to their filing with the EUB. Beyond that, DERS has had general discussions with ATCO I-TEK regarding the findings contained in the submissions and has discussed the concept of providing a technical workshop on the billing process and its complexities.
- (d) Please refer to (c) above.
- (e) DERS is of the view that the evidence in this Application supports the overall cost to customers for customer care service when determined using the current MSA unit rates. Should the Board, on a final basis, determine otherwise, DERS and ATCO I-TEK will address that disparity in due course as per the contractual relationship described in the MSA. The pricing in the MSA is not dependant on regulatory approval, but is the result of commercial arms-length negotiations. Currently there exists, on an interim basis, a disparity between the MSA pricing and the amount approved for inclusion in DERS' rates. Any such disparity as may exist on a final basis will be to the account of DERS' shareholders. There is no provision in the MSA for an automatic adjustment of pricing to reflect a regulatory decision in this or any other Application. Should the Board ultimately determine that fair market value for the services provided is something other than the current price schedule contained in the MSA, either or both of the parties to the MSA may initiate a price review. It would be of potential detriment to DERS' shareholders and customers for DERS to reveal its intended strategy in the event of such a hypothetical outcome.
- (f) Please refer to (e) above.
- (g) Please refer to (e) above.

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**CG-DERS-6****Topic:** Terms of Reference**Reference:** Douglas Louth Associates Inc. – Terms of Reference

**Preamble:** The Work Plan indicates that DERS provided definitions of base line comparative measures. The Work Plan also provides certain definitions at page 3 of 3 and goes on to note that other definitions are provided in the Questionnaire as appropriate. The “Total Annual Charge” is stated to be the sum of all the costs of operation incurred in the last completed financial year in a particular major area [e.g. total 2003 costs for the Call Center] and that this cost will be used by DLAI to cross-check for reasonableness against the detailed cost information provided for that major area.

**Request:**

- (a) Please provide a copy of those definitions provided by DERS.
- (b) Please provide definitions for each of meter reading services, billing services, credit and collection services, call center services, and information system processing as these are not specifically provided in the Questionnaire. This response should also address in detail, the overlap between meter reading and billing as raised by DERS in its December 10, 2004 letter.

**Response:**

- (a) The “definition of present base line comparative measures” was a discussion of the service, cost and pricing measures to be canvassed in the benchmarking exercise. The final results of these discussions are reflected in the benchmark questionnaire. There was no formal documentation provided by DERS to DLAI on these definitions, but DERS supports the functional definitions shown below.
- (b) DLAI provided generic descriptions of service functions to respondents on the basis of industry standards.
  - Meter reading included all functions from physical recording of meter information to downloading of such information to the CIS system for bill calculation.
  - Bill printing included all billing calculations plus the physical action of bill printing, envelope stuffing, mailing etc.
  - Credit and collections included all normal payment functions, such as cash, credit card, bank transfer, ATM and web payment etc. Also included in this function were normal credit granting and management procedures.

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- Call centre operations included all functions related to response to customer telephone, e-mail and mail enquiries.
  - Information System processing included all costs related to support and maintenance of customer care related technology

In cases where it believed a respondent had misinterpreted the scope of the function to be reported based on questionnaire responses, DLAI called by telephone to ensure consistency of description and clarification of response.

When the issue of potential overlap of functions between meter reading and billing became an issue for DERS, DLAI asked for functional clarification from DERS and called a number of respondents to validate consistency of functional descriptions.

DLAI followed up with a number of respondents and clarified what services and functions other utilities included under the headings of “meter reading” and “billing”.

As stated in DERS' December 10, 2004 submission, the full extent of overlap, if any, in the meter reading and billing functions and costs of other entities is not quantifiable. What is clear, however, is that based on the response to BR-DERS-15 (a) and further validated in the supplemental evidence filed January 22, 2005, there is only raw meter reading data provided by the distributor under the unbundled Alberta market structure.

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**CG-DERS-7**

**Topic:** Benchmarking Questionnaire Introduction

**Reference:** DLAI Questionnaire Introduction filed 2004-09-23

**Preamble:** The CG would like to more fully understand the four items provided under “When Entering Costs” on page 2 of the referenced document.

**Request:**

- (a) The Questionnaire Introduction PDF document seems to have been created from a scanned copy and in parts, is difficult to read. Please provide the original or a more legible copy of the Questionnaire Introduction.
- (b) Point 1. How many of the 14 respondents had fiscal year-ends dated December 31, 2003?
- (c) Point 2. When a respondent that did not outsource one of the customer care services for which they were to provide “unloaded” costs replied, what costs did they provide? What steps did DLAI take to ensure or test the veracity of the answer?
- (d) Point 3. Please provide a full and complete explanation as to why the exclusion of one-time, project-related costs, which were the responsibility of a respondent, would allow a fair comparison to outsourced services where the outsourcer had the responsibility for such one-time, project-related costs.
- (e) Point 4. This instruction seems to conflict with the instruction in Point 2. Please provide a full and complete explanation as to why points 2 and 4 do not conflict, including what DLAI did to ensure they did not.
- (f) Point 4. Please provide a full and complete explanation as to how the instruction in Point 4 was used in combination with the questionnaire to determine the “overall Customer Care cost for top-line comparison”. Please provide an example of this top-line comparison using reference to the questions in the Questionnaire.

**Response:**

- (a) An additional copy of the questionnaire introduction is attached.
- (b) DLAI did not ask this question
- (c) DLAI asked for the costs submitted to the regulatory authority following fiscal 2003. Where responses were clearly out of line with other respondents, DLAI followed up with a telephone call to verify the accuracy of any response.

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- (d) DLAI asked utilities to exclude one-time extraordinary costs because we wished to develop a proper benchmark for operational costs. Respondents were also asked not to include amortization amounts for these costs. Such developments as the installation of a new CIS would have applied to some, but not most, respondents and would have significantly skewed the benchmark mean. None of the respondents had contracts that placed such extraordinary expenses within the responsibility of the provider of services.

Several of the respondents had recently implemented new CIS systems at a capital cost of between \$45m and \$83m dollars. Another had just completed the construction of a new call centre. Such charges were the subject of separate scrutiny by the respective regulators and were not strictly related to day-to-day operations. With a relatively small population of respondent utilities, inclusion of such extraordinary expenses would have skewed cost-per-customer calculations and to a large extent invalidated comparisons with utilities not carrying such charges, among which would have been DERS.

- (e) Point 4 asks for all costs to be submitted, with the exception of additional internal loadings that were excluded in point 2. Point 4 does not conflict with point 2, since it is asking that costs should be reported even if they were not outsourced. For instance, if a utility did not outsource its call center services, they are asked to respond with the costs they incur internally. Again, where responses were clearly out of line with other respondents, DLAI followed up with a telephone call to verify the accuracy of those responses.
- (f) Basically, DLAI took all the costs submitted by a particular respondent and divided by the reported number of customers. This calculation was made at an overall level [all services reported as an aggregate number] and at an individual service category level. The best example of this calculation is the benchmark itself. DLAI is legally prohibited from providing the results and the related calculations for any specific respondent.

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**CG-DERS-8**

**Topic:** Benchmarking Questionnaire

**Reference:** DLAI Questionnaire filed 2004-09-23

**Preamble:** The CG would like to more fully understand the development of the Questionnaire.

**Request:**

- (a) The Questionnaire PDF document seems to have been created from a scanned copy and, in parts, is difficult to read. Please provide the original or a more readable copy of the Questionnaire. Also provide a modified questionnaire showing the row number for reference purposes. This modified questionnaire could be the answer provided to the next question below.
- (b) For each of the questions in the Questionnaire (each row), please provide the number of respondent replies that were “non-blank” (i.e., there was some response to cost, volumes, or yes/no other than N/A – not applicable). For each of the questions with yes/no, provide the number of respondent replies that were “yes” and the number that were “no”. The preferred way to answer this question would be to add columns showing the number of “non-blank”, “yes”, and “no” replies to the questions. If this information is not provided, please explain why answering this question would violate the agreement DLAI has with the survey respondents.
- (c) Was the MSA between DERS and ITBS used in any way, to structure the Questionnaire? If yes, provide examples that help to explain how the MSA impacted the structure of the MSA.
- (d) How did DLAI determine the number of meter reads per customer per year from the respondent’s answers?
- (e) How did DLAI determine the number of meter reads for each of the respondents that were provided using AMR(automated meter reading) technology? What was the impact on annual cost of AMR technology?
- (f) Does DLAI agree that many outsourcing contracts for credit & collection services and call centre services are based on an hourly charge? If the answer is yes, explain the range of answers respondents provided to the questions:
  - (i) What is the unit cost per collection call?
  - (ii) What is the unit cost per Regular CSR customer contact?
  - (iii) What is the unit call per Emergency call?
- (g) Please confirm that the respondent replies to the final question group “Other Customer Care Costs” include all internal or indirect Customer Care costs so that

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an apples-to-apples “overall Customer Care top-line comparison” (Point 4, page 2, of the Questionnaire Introduction) can be made between those respondents who outsourced different Customer Care functions and performed different Customer Care functions internally.

- (h) If the answer to (g) above is confirmed, please describe the steps DLAI used to verify that all indirect costs were included.
- (i) If the answer to (g) above is not confirmed, please explain why the September 20, 2004 report remains valid.

**Response:**

- (a) A copy of the questionnaire with row numbers is attached.
- (b) DLAI cannot answer this question because it amounts to analysis not covered by agreements with the respondents.  
[A copy of the requested information is provided as Attachment CG-DERS-8\(b\).](#)
- (c) No
- (d) By taking the answer to question 41 and dividing by the number of customers.
- (e) This question was not asked.
- (f) No
- (g) Confirmed – to the greatest extent possible. Where processes were carried out in-house, DLAI asked for costs that were submitted to regulatory authorities. These may or may not have included some internal cost loadings.
- (h) Where responses were clearly out of line with other respondents, DLAI followed up with a telephone call to verify the accuracy of any response. In a number of cases, the respondent utility was a previous client of DLAI and follow up calls were made to verify that known costs had been included.
- (i) Not applicable.

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**CG-DERS-12****Topic:** Benchmarking Questionnaire**Reference:** Douglas Louth Associates Inc. Questionnaire, page 4**Preamble:** "What is your billing frequency? Please enter semi-monthly, monthly, bi-monthly.

DLAI requested if postage was included in the billing costs.

**Request:**

- (a) Please provide details of the number of respondents that fell into each of the noted categories.
- (b) Please indicate whether postage, bill stock, long distance telephone charges, collection agency fees, etc. (flow-through items for DERS) have been included in the charges from vendors to the 14 respondents. If so, what is the average annual cost per customer?

**Response:**

- (a) Two respondents bill bi-monthly, the rest monthly.
- (b) These are also flow-through items for respondents. They have been included wherever applicable.

It is misleading to derive an average cost per customer for this heading because respondents may or may not have included such costs as a separate item [for instance, postage was likely included in billing costs for some respondents, telephone charges may have been recovered in call centre costs etc.]

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**CG-DERS-16****Topic: Benchmarking Report****Reference:** Results of Benchmark Study into Customer Care Costs and Services at Fourteen Canadian Utilities dated September 20, 2004**Preamble:** In order to fully evaluate the referenced report, the CG requires further information. Part of the information that requires clarification is with respect to the two utilities (ATCO Electric (AE) and ATCO Gas (AG)) that transferred their retail businesses to DERS. While this question may affect the DLAI agreement with two of their participants, an answer is required to ensure transparency in the MSA between DEML/DERS and ATCO I-Tek Business Services (ITBS).**Request:**

- (a) Please confirm that neither AE nor AE were among the 14 respondents. If not confirmed, identify which of AE/AG were respondents and which of them were included in the “cluster utilities” group.
- (b) Please confirm that DEML/DERS was not one or two (DERS-Electric and DERS-Gas could be two) of the 14 respondents.
- (c) Please identify the number of DEML/DERS companies and affiliates that were included in the 14 respondents.
- (d) Why did DERS limit the scope of the benchmark to utilities across Canada?
- (e) In Section 2 – Scope of the Benchmark, please confirm DLAI applied normalizations to the survey data in order to allow an apples-to-apples comparison of outsourced “fully loaded” costs to utility insourced “unloaded” costs. These “unloaded” costs were described on page 4 of the referenced report:

“Respondents were asked to report “unloaded” costs, namely those costs that applied directly to the customer care functions. Indirect charges for such items as human resource benefits, management time, occupancy costs, etc. were therefore not included in calculation of benchmarks.”
- (f) If normalizations were confirmed in (e) above, please describe in detail the normalization process using examples.
- (g) In Section 5.1 – Profile of Respondents, were any U.S.-based utilities included that had their headquarters in Canada?
- (h) In Section 5.1, please define a privately owned company and a publicly owned company. Please indicate how many municipalities and how many provincial utilities were included in the 14 respondents?

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- (i) In Section 5.1, how many of the 11 respondent utilities that were also regulated were in the group of “cluster utilities”?
- (j) Was the one utility that didn’t use outsourcing in the group of “cluster utilities”?
- (k) Please confirm the number of utilities from the 14 respondents that belong in each of the following categories:
- Generation, Transmission, Distribution, Retail integrated utilities
  - Transmission, Distribution, Retail integrated utilities
  - Distribution, Retail integrated utilities
  - Distribution only utilities
  - Retail only utilities
- (l) In Section 6 – Major Benchmark Indicators, bullets 4, 5, and 6 state:
- For cluster utilities, the mean cost of customer care was \$53.40 per customer per year for those services falling within the scope of the benchmark.
  - Smaller cluster utilities incurred an annual customer care cost of \$57 exactly for these same services.
  - Larger cluster utilities incurred a comparative annual customer care cost of \$55.17
- Are the customer care costs in bullets 5 and 6 (2 and 3 above) the “mean”? If no, explain what they are. Explain how the mean in bullet 4 (1 above) is lower than both bullets 5 and 6 (2 and 3 above).
- (m) In Section 7 – Cost of Services, provide a definition of “mean cost” and “standard deviation” that can be easily understood by the EUB and Interveners (i.e., assume no knowledge of statistics).
- (n) In Section 7.5 – Cost per Customer for Use of Services Additional to an Outsourcing Arrangement, provide a modified figure 6 so that it contains the same columns as in figure 5 (i.e. add Standard Deviation (SD) and Mean within One SD).
- (o) In Section 8.2 – Contract Pricing, contracts allowed for price increases by the supplier. How many of these contracts allowed price increases based on the annual CPI? Of those that allowed increase based on the CPI, identify which services (Meter Reading, Billing, Credit & Collections, Call Centre, Professional Services, Information Services, Other) allowed the full annual CPI and which did not allow the full annual CPI?
- (p) In Section 9.3 – Call Centre Services, the targeted call-wait period varied between 20 and 40 seconds and the average call-wait period permitted under outsourcing contracts for the cluster utilities was 79% of calls answered within 39 seconds. If one assumes the mean cost per customer is \$13.19 as shown in Section 7.4, figure 5 and this represents a service level of 80% in 30 seconds

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(80/30). In order for the AEUB and Interveners to understand the impact of changes in service levels, provide an estimate (including the calculations) for the mean cost per customer for each of the following service levels:

- 70/30
  - 70/20
  - 80/20
- (q) (q) In Section 9.4 – Technology Services, DLAI states: “The end result of this decision is that we are able to report only benchmarks related to clearly delineated customer care technology, such as CIS hardware and software.” Does this mean that the annual mean for Information System processing charges shown in figure 6 as \$9.35 from 12 respondents contains the operating costs of the technology (CIS and Call Centre hardware and software), the depreciation of computer equipment required to operate the technology, and the amortization of the CIS application project?
- (r) If the answer to (q) above is no, please explain what is included in the \$9.35.
- (s) Please confirm that the mean costs shown in figures 2, 3, and 4 include the operating costs of the technology (CIS and Call Centre hardware and software), the depreciation of computer equipment required to operate the technology, and the amortization of the CIS application project.
- (t) If the answer to (s) above is not confirmed, please provide a detailed explanation of what technology services costs are included in these mean costs.
- (u) Please confirm that the mean costs shown in figures 2, 3, and 4 include all additional costs shown in figure 6 (i.e., professional services to support outsourced functions, information system processing charges, and other services).
- (v) If the answer to (u) above is not confirmed, please provide a detailed explanation of what additional costs are included in these mean costs.

**Response:**

- (a) DLAI is legally obliged not to release this information.
- (b) DLAI is legally obliged not to release this information.
- (c) DLAI is legally obliged not to release this information.
- (d) As described in DERS’ September 23, 2004 submission, it is DERS’ view that a study focussed on Canadian entities eliminates any discussion respecting currency conversion and labor cost comparisons.
- (e) DLAI did not normalize this data.
- (f) Not applicable.

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- (g) No.
- (h) We believe the definition of public and private ownership is self-explanatory. DLAI is legally obliged not to release the remaining information.
- (i) DLAI is legally obliged not to release this information.
- (j) DLAI is legally obliged not to release this information.
- (k) DLAI is legally obliged not to release this information.
- (l) Yes to first two bullets. The overall customer mean is based on a different respondent population.
- (m) Standard statistical definitions apply.
- “mean”= average of respondent costs.
- “standard deviation” = the measurement of the extent to which distribution of data varies from the mean.
- (n) All responses fall within one SD.
- (o) DLAI does not have this data.
- (p) DLAI is not in a position to make such a theoretical estimate.
- (q) Yes, except that it does not include any amortization costs.
- (r) Not applicable.
- (s) Yes, except that it does not include any amortization costs.
- (t) Not applicable.
- (u) Confirmed.
- (v) Not applicable.

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**CG-DERS-20**

**Topic:** Assessment Report

**Reference:** Assessment of the Outsourced Customer Care Service Arrangement between Direct Energy Regulated Services and ATCO I-Tek (ITBS) dated December 1, 2004 and the MSA between DEML/DERS and ITBS, Schedule E – Benchmarking.

**Preamble:** In order to fully evaluate and allow the referenced report to comply with the wording in the MSA, the CG requires further information

**Request:**

- (a) Please provide the DLAI definition of Fair Market Value used in the referenced report.
- (b) Please confirm that in the Introduction (page 2, 2<sup>nd</sup> paragraph), that DERS was the fourteenth utility to receive the referenced benchmark report, or that the statement is incorrect, or that only 13 of 14 respondents received a copy.
- (c) Did DERS understand that the evaluation of the MSA should use Schedule E – Benchmarking in the MSA between DEML/DERS and ITBS before providing the objectives to DLAI as noted in Paragraph 4 at page 2 of the Assessment Report Introduction?
- (d) If the answer to (c) above is not confirmed, please provide a full explanation as to why this Schedule should not be used and what the basis of the benchmark should be.

**Response:**

- (a) Please refer to the response to Information Request CG-DERS-15(a).
- (b) Confirmed.
- (c) Please refer to the response to Information Request CG-DERS-2 [\(a\)](#).
- (d) Please refer to [the response to Information Request CG-DERS-2 \(b\)](#).

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**CG-DERS-23**

**Topic:** DERS Letter re Benchmarking Study

**Reference:** Letter to Mike Hagan, Application Officer, AEUB re Direct Energy Regulated Services Application 1361950 Benchmarking Study of Customer Care Services dated December 10, 2004.

**Preamble:** In order to fully evaluate this letter, the CG would appreciate further information.

**Request:**

- (a) In the discussion of Meter Reading, DERS indicates “In DERS case, all that is provided to the billing function by the meter reading function is the raw meter readings, with all calculations performed by the billing function.” Please confirm the above statement by requesting a letter from ATCO Electric and Gas stating this is the case or a letter from ITBS with a copy to ATCO Electric and Gas again stating this is the case.

**Response:**

- (a) Please refer to the response to Information Request BR-DERS-15(a), Attachment 2, page 2, Responsibility Area “Retail Customer Care and Billing”, “Energy Use Management”. In the function descriptions provided, it is clear that the distributor provides measured cumulative and interval data only. Additional detail on these transactions is provided in the supplemental evidence filed February 22, 2005, and verifies that all that is provided by the distributor under the unbundled Alberta model is meter readings in the form of either cumulative DCM transactions or interval DIM transactions. DERS is of the view that this evidence is sufficient, and a letter to this effect from either the distributor or ATCO I-Tek would be redundant.