

**Application 1361950**  
**DERS Benchmarking Workshop – Meeting Notes**  
**Wednesday March 9, 2005**  
**Edmonton, Alberta**

**Attendance**

Douglas Louth - DLAI  
Doug Jones - DLAI  
Gary Newcombe – DERS  
Corinne Grudecki – DERS  
Tanis Kozak – DERS  
Bobbi Lambright – ATCO I-TEK  
Mike Hagan – EUB  
Heather Gnenz – EUB  
Jim Stephens – CG  
Greg Matwichuk – City of Calgary  
Randy McCreary – CG (AUMA)  
Bob Bruggeman – CG (AUMA)  
Russ Bell – CG (UCA)  
Dale Fung – Epcor  
Jan Thygesen - Epcor

These meeting notes are intended to cover major issues and discussions that arose during the meeting and are not intended to provide for a complete summary of all material or questions covered during the workshop.

**Questions/Comments**

- How many utilities are included in DLAI benchmark database?  
(Reference slide 2, point 4)

DLAI 's database of benchmark values for North American utilities contains approximately 28 utilities of which 4 are Canadian. This database was not used in the benchmark study DLAI performed for DERS.

- Define qualitative factors? (Reference slide 6, point 4)

Some examples of qualitative measures would be performance measures, customer satisfaction surveys, accuracy of billing, etc.

- Questionnaire template development (Reference slide 15, point 1)

DLAI prepared the questionnaire with the assistance of DERS and tested it with two utilities to determine if the questions and

information gathered was appropriate. The questionnaire was not reviewed or provided to the EUB for review.

- Was all data gathered from the questionnaire and call-back phone calls, or did DLAI review all MSA or Contracts?

DLAI did not review the Contracts for every respondent, all benchmark data was provided through the questionnaire and follow-up phone calls.

- Did DLAI help DEML negotiate the I-TEK MSA?

No

- Why can DLAI not disclose the names of the respondents?

As a requirement of participating in the benchmark study several companies requested DLAI to sign non-disclosure agreements that prohibit the release of any names or data that could lead to them being identified.

- Was the data verified against the subsequent filings made by the utilities?

Not specifically. Companies did assure DLAI that the data received through the questionnaire and follow-up questions were 2003 actual and was the same data filed or to be filed with regulators. Filings made by the respondent utilities were not specifically GRA filings, but may have been financial reports, compliance filings, etc.

- How much time was spent checking and following up on the data received through the questionnaire?

Length and frequency of follow-up calls differed by participant. Approximately 1-4 hours for each respondent.

- Has DLAI performed a unit cost benchmark before or only cost per customer benchmarks?

DLAI has performed other unit cost benchmarks mainly for the purpose of contract negotiations.

- How did DLAI provide service definitions to the respondents?

Discussions took place between DLAI and the respondents to define the service definitions and discussed how specific items and

costs needed to be categorized. These discussions were typically done once the data was received.

- How did DLAI assess the impact of utilities that do not outsource certain functions (internal costs)?

DLAI tried to include in the benchmark only the internal costs that were directly related to a specific category, general overhead was not included.

- Of the respondents how many were third party agreements and how many were outsourced to affiliates?

**Need to provide answer**

The majority of respondents who indicated they outsourced a particular Service Area were third party, but we cannot answer the exact number which were third party or which were affiliates, because we did not ask for that differentiation.

- What is the Standard Deviation of the cluster utilities without meter reading?

**Need to provide answer**

The Standard Deviation was \$17.43.

- Technology costs for DERS and ATCO I-TEK

ATCO I-TEK is responsible for all technology costs that would be required to meet the specified service levels in the MSA. DERS is responsible for costs related to any changes as a result of additional regulatory requirements or other process changes required by DERS. Technology costs are very difficult to quantify and incorporate into the benchmark results. Other things that should be taken into account when analyzing the benchmark data is the flexibility of the ATCO I-TEK system. For example the costs related to the implementation of the Tariff Billing Code for DERS are significantly below the costs of other Alberta utilities.

- Can the Gas and Electric benchmark numbers be broken down into the smaller utilities and larger utilities classification?

This can be done, but there will be one to two respondents that fall within each category so this may not provide a useful comparison.

- Was the company who didn't outsource included in the cluster utilities, and did the non-regulated company fall within the cluster utilities?

Both these companies are included in the cluster utilities.

Actually, there were three non-regulated companies; two fell within the cluster utilities and one did not.

- Provide all the standard deviations for the specific line items shown on Figure 1.

**Need to provide answer**

The standard deviations for other related services in Figure 1 are:

|                                   |        |
|-----------------------------------|--------|
| Professional Services             | \$0.74 |
| Information Processing/Technology | \$8.68 |
| Other services                    | \$6.55 |

- DLAI Conclusions

The benchmark figures must not be taken as absolute numbers and should account for the specific circumstances. The Alberta billing structure has additional complications and complexities when compared to other jurisdictions. DERS and other utilities in Alberta are paying a premium for services no matter who the outsourcer is. DLAI believes DERS is within the range of +/- 10% from the benchmark results when you take into account specific circumstances.

Further Process

- DERS to file presentation and meeting notes from March 9, 2005 workshop.
- IR to DERS on March 9 workshop materials by Friday March 18, 2005
- IR responses from DERS by Thursday March 24, 2005.
- EUB to send out letter requesting comments on further process