

HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
RESPONSES TO
CONSUMERS COUNCIL OF CANADA
TECHNICAL CONFERENCE QUESTIONS

DELIVERED: February 24th, 2011

QUESTION TC #1

Reference: CCC # 11

For the 2011 Corporate Communications Business Plan please explain the nature of the following budget items:

- Outside Service Provider \$215,000
• Public Relations \$175,000
• Employee Promotions \$143,000

Response:

With reference to the Corporate Communications Business Plan, an explanation of the requested three budget items is provided below:

Outside Service Provider \$215,000

This is an operating expense for external support to design, develop and implement Horizon Utilities planned website re-design.

Public Relations \$175,000

This budget item supports Horizon Utilities’ customer/community events; the delivery of electrical safety education programs to Grade 5 students and teachers; external creative services; the design and production of the annual report; public service announcements; writing and design support and language translation requirements to meet the diverse needs of Horizon Utilities’ customer base.

1    **Employee Promotions**                      **\$143,000**

2    This budget item covers the cost of producing employee communications, including the  
3    development, design and production of Horizon Utilities' employee newsletters. Further,  
4    it covers the cost of the two CEO Update sessions held annually with all employees and  
5    Horizon Utilities' bi-monthly leadership team events.

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8 **QUESTION TC #2**

9 **Reference:** CCC #14

10 For the 2011 Customer Service Business Plan please explain the nature of the following  
11 budget items:

- 12 • Public Relations \$200,000  
13

14 **Response:**

15 The Public Relations budget amount of \$200,000 in the Customer Service business  
16 plan for 2011 relates to the continued execution of the customer communication plan to  
17 support the end to end implementation of Smart Meters and Time-of-Use rates. This  
18 budget amount is included in the Smart Meter Funding Adder (EB-2010-0292) and is  
19 not included as part of this Application.

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QUESTION TC #3

Reference: CCC # 24

What is the current status of the Website Redesign Project? Budgeted costs are \$295,000 in 2011. What is the most current budget given the RFP has not been issued and the third-party assistance has not been retained?

Response:

Horizon Utilities has recently released the Request for Proposal (“RFP”) for the re-design of Horizon Utilities’ website.

Horizon Utilities identified an update to the budget information for this project such that the total operating and maintenance expenses are \$295,000 and the total capital costs are \$70,000.

The details of such expenses are included in the table below.

<b>UPDATED ESTIMATED BUDGET</b>		
	<b>Operating and Maintenance Expenses</b>	<b>Capital Expenses</b>
Software		\$15,000
Hardware		\$15,000
Architecture Design		\$40,000
Strategy Development	\$20,000	
Testing	\$25,000	
Training	\$25,000	
Interactive Functionality	\$75,000	
Creative design and content creation	\$50,000	
Ongoing External Support	\$20,000	
Design and development of web-based intranet	\$80,000	
<b>TOTAL</b>	<b>\$295,000</b>	<b>\$70,000</b>

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**QUESTION TC #5**

**Reference:** CCC # 32

The original question asked for a schedule setting out Total FTEs by Department for the years 2008-2011 and the forecast level (Board approved) for 2008. Please provide this information as the answer is response to a VECC question regarding FTEEs/Customer.

**Response:**

The table below sets out the schedule as requested.

Department	2008	2009	2010	2011
Executive/Directors	15	17	17	18
Construction & Maintenance	132	132	139	147
Supply Chain Management	29	30	30	31
Engineering & Operating	46	49	50	57
Regulatory Affairs	6	7	7	9
Finance	11	14	16	18
Information Systems & Technology	11	17	20	24
Corporate Services & Human Resources	7	8	8	9
Corporate Communications	2	2	2	2
Health & Safety	2	2	2	2
Customer Service	63	64	66	66
Customer Connections	36	36	36	37
Facilities	8	8	8	8
<b>Total</b>	368	386	401	428
<b>Customers</b>	233,177	234,920	235,000	235,000
<b>Customers/FTEE</b>	634	609	586	549

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8 **QUESTION TC #6**

9 **Reference:** CCC # 47

10 The question asked for Horizon's best estimate of costs per residential customer for  
11 smart meters including all costs of the smart meter program. Please explain how the  
12 \$131.00 is calculated.

13 **Response:**

14 Smart meter costs are outside the Cost of Service Application and are currently  
15 accounted for in Horizon Utilities Smart Meter Funding Adder Application (EB-2010-  
16 0292). The costs for the residential and single phase <50 kW customers are grouped  
17 together as they have the same meter and installation costs. The referenced cost per  
18 meter of approximately \$131.00 includes \$104.93 of capital cost and \$25.77 for OM&A.  
19 The capital cost of \$104.93 per meter is provided in Table 5 of the Smart Meter Funding  
20 Adder Application. Such cost includes \$101.48 for the meter, \$0.78 for MDM/R  
21 integration and \$2.67 for web and smart meter back office costs. The OM&A cost of  
22 \$25.77 is provided in Table 6 of the Smart Meter Funding Adder Application.