



**PUBLIC INTEREST ADVOCACY CENTRE**  
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Michael Janigan  
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(613) 562-4002 ext. 26

October 14, 2012

**VIA MAIL and E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Vulnerable Energy Consumers Coalition (VECC)**  
**Submission of VECC Interrogatories EB-2012-0159, EB-2012-0344**  
**Parry Sound Power Corporation**

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written in a cursive style.

Michael Janigan  
Counsel for VECC  
Encl.

cc: Parry Sound Power Corporation  
Mr. Miles Thompson

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF**

the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), as amended;

**AND IN THE MATTER OF** an Application by  
Parry Sound Power Corporation (Parry Sound Power) for an order or orders  
approving or fixing just and reasonable  
distribution rates to be effective January 1, 2013 to reflect the  
recovery of costs for deployed smart meters.

**Information Requests of the Vulnerable Energy Consumers Coalition (VECC)**

**VECC Question # 1**

**Reference:** 3.0 Status of Implementation of Smart Meters

Preamble: Parry Sound has installed a total of 3357 meters as of December 31, 2011.

- a) Please complete the following table to show the calculation of average costs based on meter type.

| Class       | Type of Meter | Quantity | Meter Cost | Average Meter Cost | Installation Cost | Average Installation Cost | Other Capital Costs | Total Average Cost |
|-------------|---------------|----------|------------|--------------------|-------------------|---------------------------|---------------------|--------------------|
| Residential |               |          |            |                    |                   |                           |                     |                    |
|             |               |          |            |                    |                   |                           |                     |                    |
| GS<50 kW    |               |          |            |                    |                   |                           |                     |                    |
|             |               |          |            |                    |                   |                           |                     |                    |

- b) Please provide a summary of Parry Sound Power's incremental internal labour costs included in this application in terms of positions, contract type (permanent vs. temporary, part-time vs. full-time), length of employment and work activities.

**VECC Question # 2**

**Reference:** 3.0 Status of Implementation of Smart Meters

Preamble: Table #3 provides Parry Sound Power's OM&A and capital costs for minimum functionality and beyond minimum functionality. Based on the data in this table, VECC calculates the total average capital and OM&A costs (minimum functionality) as \$275.72 (\$252.47 + 23.25) based on 3357 installed meters as shown in

the table below:

| <b>Minimum Functionality</b>              |              | Average cost/meter |
|---|--------------|--------------------|
| Capital                                   | \$847,551.69 | \$252.47           |
| OM&A                                      | \$78,047.07  | \$23.25            |
|   |              | <b>\$275.72</b>    |
| <b>Costs Beyond Minimum Functionality</b> |              | Average cost/meter |
| Capital                                   | \$26,463.43  | \$7.88             |
| OM&A                                      | \$10,738.75  | \$3.20             |
|   |              | \$11.08            |
| <b>TOTAL</b>                              |              | <b>\$283.80</b>    |
| # installed meters                        | 3357         |                    |

The Board's report, "Sector Smart Meter Audit Review Report", dated March 31, 2010, indicates a sector average capital cost of \$186.76 per meter (based on 3,053,931 meters (64% complete) with a capital cost of \$570,339,200 as at September 30, 2009). The review period was January 1, 2006 to September 30, 2009. The average total cost per meter (capital and OM&A) is \$207.37 (based on 3,053,931 meters (64% complete) with a total cost of \$633,294,140 as at September 30, 2009).

The Board followed up on this review on October 26, 2010 and issued a letter to all distributors requiring them to provide information on their smart meter investments on a quarterly basis. The first distributors' quarterly update represented life-to-date investments in smart meter implementation as of September 30, 2010 and as of this date, the average total cost per meter is \$226.92 (based on 4,382,194 meters (94% complete) with the total provincial investment in smart meter installation of \$994,426,187).<sup>1</sup>

- a) Please explain why Parry Sound Power's total average total cost per meter is higher than the recent distributor average of \$226.92.

### **VECC Question # 3**

**Reference 1:** 15.0 Justification for Functionality that Exceeds Minimum Functionality

**Reference 2:** Smart Meter Model 02120907, Sheet 2

Preamble: The evidence states "The installed meters and systems do not exceed the minimum functionality as specified in O. Reg. 425/06. Parry Sound Power Corporation has incurred costs beyond minimum functionality for integration with the MDM/R, TOU rate implementation, and forecasted web presentment."

<sup>1</sup> Monitoring Report Smart Meter Investment – September 2010, March 3, 2011

- a) Please provide a breakdown and description of the capital costs beyond minimum functionality regarding line 1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.
- b) Please provide a breakdown and description of the OM&A costs beyond minimum functionality regarding line 2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.
- c) Please explain how these costs are required for its smart meter program and how these costs are incremental.

#### **VECC Question # 4**

**Reference 1:** 3.0 Status of Implementation of Smart Meters, Table 3

**Reference 2:** Smart Meter Model 02120907, Sheet 2

Preamble: Table #3 shows capital costs beyond minimum functionality of \$26,463.43 and OM&A costs beyond minimum functionality of \$10,738.75. VECC notes the smart meter model dated 20120907 shows capital costs beyond minimum functionality of \$17,893 and OM&A costs beyond minimum functionality of \$19,309.

- a) Please reconcile these two sets of figures.

#### **VECC Question # 5**

**Reference 1:** Smart Meter Model 20120907, Sheet 2

**Reference 2:** Board Guideline G-2011-0001, Smart Meter Funding and Cost Recovery – Final Disposition, dated December 15, 2011, Page 19

Preamble: The Guideline states, “The Board views that, where practical and where data is available, class specific SMDRs should be calculated on full cost causality.”

- a) Please complete a separate smart meter revenue requirement model by customer class. (This should include any adjustments resulting from interrogatory responses)
- b) Please re-calculate the SMDR & SMIRR rate riders based on full cost causality by rate class.
- c) Please provide a table that summarizes the total Smart Meter Rate Adder Revenue collected by customer class.
- d) If Parry Sound Power is unable to provide separate smart meter revenue requirement models by rate class, please provide a detailed explanation.

### **VECC Question # 6**

**Reference:** 2012 Smart Meter Model, 20120809, Sheet 2

- a) Please explain the forecast cost of \$6,404 regarding line 2.5.3 Program Management.
- b) Please explain the increase in line 2.5.5 Administration Costs after 2011.
- c) Please provide a breakdown and explanation of the costs under line 2.5.6 Other AMI Expenses.

### **VECC Question # 7**

**Reference:** 17 Smart Meter Rate Rider

Preamble: The evidence stated As shown in appendix 8, the average Parry Sound Power cost of Parry Sound Power Corporation Smart Meter Prudence Review Filed: August 3, 2012 installing a smart meter for the Residential class is \$84.89 and \$294.93 for the General Service<50 kW class.

- a) VECC was unable to locate Appendix 8. Please provide.