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August 10, 2010

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: EB-2010-0209 PowerStream Inc.
Application and Written Hearing for Approval of
Smart Meter Cost Recovery Rate Riders and
A Utility-Specific SM funding Adder
Information Requests of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the Interrogatories of VECC in the above matter. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Powerstream Inc. Mr. Colin A. Macdonald
Vice President, Rates & Regulatory Affairs
E-mail: colin.macdonald@powerstream.ca

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sch.B, as amended;*

**AND IN THE MATTER OF
an Application by PowerStream Inc.
FOR APPROVAL OF RECOVERY OF 2008 and 2009 SMART METER COSTS
AND APPROVAL OF A UTILITY-SPECIFIC FUNDING ADDER**

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC Question #1

References: i) OEB Guideline G-2008-0002:

ii) OEB Filing Requirements for Smart Meter Investment Plans, October 26, 2006

a) Confirm that Guideline G-2008-0002 has not superseded the Filing Requirements for Smart Meter Investment Plans, October 26, 2006

b) Confirm that paragraph 7 of the Filing Requirements specifies that

7. Specifically, and in as much detail as possible, please provide the following information for your planned implementation of the SMIP:

- the number of meters installed by class and by year, both in absolute terms and as a percentage of the class;
- the capital expenditures and amortization by class and by year;
- the operating expenses by class and by year;
- the effect of the SMIP on the level of the allowance for PILs.

c) Has PowerStream kept records by class as required and are accounts 1556 and 1555 segregated by rate class? Please elaborate.

VECC Question #2

References: PowerStream. SM Cost Recovery Application Page 15/16 and Tables 1-3

Preamble: PowerStream installed 53,262 smart meters in 2008 and 84,094 smart meters in 2009 in its South rate zone. In this Application, PowerStream seeks recovery of the revenue requirement in respect of the 137,356 smart meters with a capital

cost of \$18.9 million installed in 2008 and 2009 in the PowerStream South rate zone.

- a) Provide a breakdown of Residential and Commercial meter installations in 2008, 2009 and forecast 2010
- b) Provide by year Support/details of the 2008-2009 and forecast 2010 *Residential Class SM Unit costs* (procurement and installation separately)
- c) Provide by year support/details of the 2008-2009 actual and forecast 2010 *Residential Class SM AMI*, communications and back office costs (procurement and installation)
- d) Provide by year support/details of the 2008-2009 and forecast 2010 *Commercial Class SM Unit costs* (procurement and installation separately)
- e) Provide by year support/details of the 2008-2009 actual and forecast 2010 *Commercial Class SM AMI*, communications and back office costs (procurement and installation)
- f) Provide a schedule that gives a breakdown of the 2008 and 2009 Capital Costs between the Residential and GS<50kw classes. Reconcile to Table 2
- g) Provide a breakdown of the O&M costs for meters installed in 2008 and 2009 between the Residential, GS<50kw classes. Reconcile to Table 3
- h) Were/are any SM installed in other classes? If so provide details of costs, if any, to be recovered
- i) Provide the details of the balances and the amounts to be disposed of in Accounts 1555 and 1556 **by class**. Include the carrying cost calculation(s)

VECC Question #3

References: i) PowerStream. SM Cost Recovery Application Page 19-20 Tables 4, 5
ii) Appendix 2

- a) Provide a Copy of OEB Worksheets that calculate the net fixed assets, revenue requirement and SM Actual cost recovery rate rider for 2008 and 2009 costs by rate class (Residential, GS<50kw) Reconcile with Table 4 and Table 7
- b) Provide a Copy of OEB Worksheets that calculate the revenue requirement and Disposition rate rider by rate class (Residential, GS<50kw). Reconcile with Table 5 and Table 7

VECC Question #4

References: i) PowerStream. SM Cost Recovery Application Page 21-22
ii) Appendix 2-Page 2

Preamble: PowerStream proposes to allocate the revenue requirement of \$4.1 million between the Residential and the GS< 50 kW customer classes which received the meters covered by the disposition rate rider.

- Return allocated based on the capital costs of the meters installed for each class;
 - OM&A allocated based on the number of meters installed for each class;
 - PILs allocated based on the revenue requirement allocated to each class before PILs.
- a) Provide a calculation of the allocated revenue requirement per customer for residential and GS<50 kw classes. Reconcile this with the answer to VECC Question 3 part b)

VECC Question #5

References: i) PowerStream. SM Cost Recovery Application Pages 10 and 23,
ii) Appendix 3-Page 2

Preamble: In 2010 PowerStream plans to install another 100,500 smart meters, at a total cost of approximately \$26.8 million, for both the South and North rate zones. This includes most of the more complex and costly general service/commercial smart meter replacements. These will be addressed in a future rate application.

- a) Provide a cash flow projection for PowerStream (South and North) showing SM rate adder revenue and SM expenditures by Class per Month for the 2008, 2009 Actuals and forecast 2010 (and if applicable 2011) rate years,
- b) Reconcile the 2008 and 2009 cash flows with the Actual Cost Recovery rate riders for each class for 2008 and 2009 costs
- c) Compare the forecast surplus/deficit for each class in 2010 (and if appropriate 2011) to the proposed aggregate (residential and GS<50 kw) \$0.50 /metered customer per month

VECC Question #6

Reference: PowerStream. SM Cost Recovery Application Page 23,

- a) Based on the responses to questions regarding calculation of costs, revenue requirements and rate riders by rate class, provide a version of Table 8 that shows the changes resulting from these responses, and
- b) Compare these amounts to the original Table 8 as filed
- c) Update as necessary the Bill Impacts in Appendix 5

VECC Question # 7**Reference: KMI-Sensus Supply Contract and Pricing Schedule**

- a) Confirm that Powerstream Contracted with KMI-Sensus under Option 2. If not please elaborate/explain
- b) Provide a schedule that translates the costs shown in the pricing schedule to the numbers of residential and commercial meters and the AMCD capital costs filed in the current application for 2008 and 2009.
- c) Provide a Schedule that translates the pricing shown in the pricing schedule to the AMI and other costs filed for 2008 and 2009
- d) Provide the changes to pricing for 2010 (north and south) for KMI-Sensus Meter supply and services

VECC Question # 8**Reference: Honeywell contract and pricing schedule**

- a) Confirm that Honeywell was contracted to install 36,000 meters from January 2008 to June 30, 2008. If not clarify for how many meters and over what period
- b) Specify how many residential meters and commercial meters were actually installed by Honeywell in Powerstream South and for which costs recovery is now sought .
- c) Provide a schedule that translates the costs shown in the pricing schedule to the numbers of residential and commercial meters and the capital costs filed in the current application for 2008 and 2009.

VECC Question # 9**Reference: Olameter Contract and Pricing Schedule**

- a) Confirm that Olameter has been contracted to install meters Starting in July 2008. Clarify for how many residential and commercial meters and over what period
- b) Specify how many residential meters and commercial meters were actually installed by Olameter in Powerstream South in 2008 and 2009 and for which cost recovery is sought.
- c) Provide a schedule that translates the costs shown in the Olameter pricing schedule to the numbers of residential and commercial meters and the capital and operating costs filed in the current application for 2008 and 2009.
- d) Is Olameter contracted for 2010 (North and South and if so what differences are there in pricing of the Olameter services?