



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Buonaguro
Counsel for VECC
(416) 767-1666

September 8, 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
Supplementary Information Requests of Vulnerable Energy Consumers Coalition
(VECC)**

Please find enclosed the supplementary 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**

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

VECC Question # 10

Reference: Response to Board Staff IR# 10 Table Staff 10-1: Stranded Meter Costs

- a) Provide a version of the Stranded Meter Cost Table that separates the stranded meter costs between the Residential and GS<50 kw classes. Reconcile to the net fixed assets for 2010.

VECC Question # 11

References: i) PowerStream response to Board Staff IR#8 part e)
ii) PowerStream Response to Board Staff IR# 9 Table 9-3
ii) Application Appendix 3

Preamble:

“The Guideline does not offer any guidance on how the disposition rider is to be allocated to different customer classes. It states only that the methodology be disclosed.

PowerStream submits that the method of allocation of the revenue requirement from smart meter costs, described in parts (b) and (c) above, is conceptually similar to the methodology in the Board Approved Cost Allocation model albeit much simpler due to the limited costs being considered. It allocates rate base and determines return by customer class. It allocates OM&A to the customer classes on a logical basis”.

- a) What regulatory principles were applied to PowerStream's proposed allocation of Smart Meter Costs and Revenue requirement to the rate classes?.
- b) Compare those applied to the following
 - Cost Causality
 - Matching of costs and benefits
 - No undue cross subsidization
- c) Given the change in the actual cost disposition rate rider shown in Table Staff 9-3 and the forecast 2010/2011 installations and costs (especially 21,000 Commercial Meters) why should not the recovery be postponed until the end of 2010?
- d) Provide a Version of Table Staff Table 9-3 that shows the forecast class rate riders at the end of 2010.

VECC Question # 12

Reference: Response to VECC IR# 3

Preamble:

"If the Actual Smart Meter Cost Recovery model is to be prepared on a rate class basis, it would follow logically that models be prepared for the GS>50 kW and Large Use classes also. These classes have contributed smart meter funding adder amounts totaling \$1.1 million in the period January 2008 to April 2010. Since smart meters are not being installed for these classes, presumably no costs would be allocated and the "true-up" would return the amounts collected plus carrying costs thereon"

- a) Why did PowerStream collect Smart meter funding revenue from classes that did not participate/benefit from the SM program? Did the Board explicitly approve this?
- b) In PowerStream's opinion is a "true up" required? If so what form would this take? In responding, consider the allocation of Standard Meter Costs as per parts c)-g).
- c) Provide a summary breakdown of "Standard" Meter capital and operating costs included in the 2010 (or last EDR year) distribution revenue requirement, Reconcile to US of A account 1860
- d) Provide a summary of Stranded Meter costs included in the above.Reconcile to Question 10.
- e) Provide a summary schedule of the allocation of the revenue requirement associated with "Standard" Meter costs to each rate class (2010 or last EDR)
- f) Add lines that show the smart meter costs that would be in the 2010 rate base and revenue requirement under a COS DRR
- g) Provide the total Meter revenue requirement(s) (standard and Smart Meters) for each class.