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October 20, 2011

**DELIVERED and RESS**

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited ("THESL")**
**2011 Cost of Service Application, PHASE II**
**Board File No. EB-2010-0142**

We enclose two paper copies of the Supplementary Interrogatories of the Smart Sub-metering Working Group in the above-noted proceeding.

An electronic version of same will be filed today through the Board's Regulatory Electronic Submission System.

Yours truly,

AIRD & BERLIS LLP

Dennis M. O'Leary
DMO/ct

Enclosures
cc The Applicant
cc Intervenors

11254985.1

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998,* Schedule B;

**AND IN THE MATTER OF** an application by Toronto Hydro-Electric System Limited for an order approving just and reasonable rates and other charges for electricity distribution

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# SUPPLEMENTARY INTERROGATORIES

# OF THE

# SMART SUB-METERING WORKING GROUP

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**Preamble**

Pursuant to the Board's oral Decision dated October 14, 2011, these interrogatories are supplementary to the Preliminary Interrogatories of the SSMWG dated October 12, 2011.

**Reference:** Suite Metering Supplementary Evidence, Exhibit L1, Tab 5, Schedule 1 ("Supplementary Evidence") and Cost Allocation Model ("CA Model"), Exhibit L1, Tab 5, Schedule 2

20. THESL takes the position that fewer secondary costs should be allocated to Quadlogic Suite Meter customers because it believes that a larger percentage of the buildings served do not rely upon any secondary systems. It therefore follows that these buildings rely entirely on primary systems. It is noted at Sheet I9 "Direct Allocation Worksheet" of the CA Model that several USoA accounts have been directly allocated to the General Service Customers 50 – 999 and 1000 – 4999. These rate classes include as customers the common elements of buildings that contain Quadlogic Suite Meter Customers.

    a) Does it not logically follow that for the same reasons that a general service "customer" is directly allocated costs and expenses, such as underground conduit (USofA 1840) and underground distribution lines (USofA 5045), that some of these costs should be directly allocated to the Quadlogic Suite Metered Class? If you disagree with this premise, please state your reasons in detail.

    b) How are the amounts that are directly allocated to the General Service Customers 50 to 999 and 1000 to 4999 at USofA accounts 1840, 1845, 2105, 5040, 5045, 5150 and 5705 determined? Please provide any rationale used for determining the allocating factor or any other basis for the direct allocation of these accounts to these rate classes.

**Reference:** Supplementary Evidence and Updated BDR Study (Exhibit L1, Tab 4, Schedule 1)

21. Is the decrease in estimated consumption for the Quadlogic Suite Meter Class in part driven by THESL's estimates as to the number, percentage and/or consumption pattern of vacant units (either before first occupancy, or during a turnover)? If vacancy rates or consumption during unoccupied periods has been used by THESL to in any way influence the consumption rate (THESL has estimated 334 kWh/month in the CA Model) please provide all assumptions and data and a justification for the use of the assumptions and data.

**Reference:** Supplementary Evidence and CA Model

22. For the purposes of the Updated BDR Study and CA Model, what depreciation rate has been used for Quadlogic meters?

23. What is the depreciation rate used for Residential Smart Meters (i.e., non-Quadlogic)?

24. What is THESL's experience in respect of the need for repair to and replacement of Quadlogic meters versus residential smart meters (i.e., non-Quadlogic)?

**Reference:** CA Model, Sheet I7.1 "Meter Capital Worksheet"

25. It appears that under the Residential Class, Column 1, of the total number of meters (612,458), 560,043 are smart meters (at an average cost of $159) and there are an additional 24,303 meters at an average cost of $550 (i.e., LDC Specific 2). For the Quadlogic Class (LDC Specific 3), Column 1 indicates a total of 25,033 Quadlogic Suite Meters at an average cost of $550. It therefore appears that Quadlogic meters are being included in both the Quadlogic Class and in the Residential Class.

    a) Please explain in detail why 24,303 Quadlogic Meter Customers appear to continue to reside within the Residential Rate Class.

    b) Please provide a justification for continuing to include these meters in the Residential Class.

**Reference:** CA Model and Updated BDR Study

26. Please undertake a further Cost Allocation Study analysis and provide the results using the assumptions and data used in the CA Model, but making the following adjustments:

    a) Consumption estimates for the Quadlogic Meter Class remain at 361 kWh per month, as assumed in the Updated BDR Study. Please also make the necessary adjustments to demand to reflect this change in consumption.

    b) Please assume that the weighting factor for meter reading costs remains at 7, as assumed in the Updated BDR Study; and

    c) Please directly allocate to the Quadlogic Meter Class all of the Quadlogic Meter costs rather than using the CA Model's Meter Cost Weighting Factors.

**Reference: Supplementary Evidence, p. 8**

27. THESL's Supplementary Evidence states that for the purposes of the rate design of the proposed Quadlogic Suite Meter Class, THESL has maintained the same proportion of revenue recovered from the fixed and variable charges for the new classes. Please provide a detailed breakdown of the methodology used and calculations which generated the proposed fixed variable split, as set out in Table 4 of the Supplementary Evidence (p. 9).