



**PUBLIC INTEREST ADVOCACY CENTRE**  
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(416) 767-1666

February 16, 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-2011-0413**  
**Lakeland Power Distribution Ltd.**

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 blue ink, appearing to be 'M. Buonaguro'.

Michael Buonaguro  
Counsel for VECC  
Encl.

cc: Lakeland Power Distribution Ltd.  
Ms. Margaret Maw

**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  
 Lakeland Power Distribution Ltd. for an order or orders  
 approving or fixing just and reasonable  
 distribution rates to be effective May 1, 2012 to reflect the  
 recovery of costs for deployed smart meters.

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

**VECC Question # 1**

**Reference:** Manager’s Summary, Meter Deployment, Page 10

Preamble: Lakeland has forecasted the total number of smart meters installed by December 31, 2012 as 9,620. Lakeland indicates that by late 2009, Lakeland contracted three external installers to install polyphase smart meters, single phase transformer meters and skipped smart meters.

- a) Please complete the following table to show the type and cost of meters installed by rate class:

Class	Type of Meter	Quantity	Installed Cost	Average Cost
Residential				
GS<50 kW				

**VECC Question # 2**

**Reference:** Manager’s Summary, AMI Selection, Page 8

Preamble: By early January 2009, Lakeland decided upon the purchasing option to own its AMI system but have it operated by the AMI vendor.

- a) Please provide the cost of the AMI system.
- a) Please define collectors and repeaters.

- b) Please explain the delays in finalizing the contract with Elster and how long it took to resolve and why.
- c) Please provide an update on the finalization of the Elster Service Level Agreement (SLA). Does Lakeland anticipate any delays?

**VECC Question # 3**

**Reference:** Manager's Summary, Meter Deployment, Page 10

Preamble: Lakeland indicates that Olameter honoured Trilliant's favourable pricing and installation schedule.

- a) Please indicate if Olameter placed any limitations such as time on the pricing and installation schedule.

**VECC Question # 4**

**Reference:** Manager's Summary, Meter Deployment, Page 10

Preamble: Lakeland indicates it rented an offsite storage warehouse space to provide a smart meter depot for the installers.

- a) Please explain why Lakeland's existing facilities were not suitable for this purpose.
- b) Please provide the monthly cost of renting the space.

**VECC Question # 5**

**Reference:** Manager's Summary, Meter Deployment, Page 10

Preamble: Lakeland indicates that by December 2009, 8,945 smart meters were installed: 7,722 by Olameter and 1,223 by LPDL contract installers.

- a) Please provide the meter costs, installation costs, other capital costs and OM&A costs separately for Olameter and LPDL contract installers.

**VECC Question # 6**

**Reference:** Manager's Summary, Web Presentment, Page 16

Preamble: Lakeland indicates that in 2008 it purchased and implemented the Harris eCARE software, a web presentment tool fully integrated with LPDL's Harris North Star billing system. The MDM/R has become accessible to provide this data in mid 2011 but

in order to integrate with it, LPDL will be required to incur more costs.

- a) Please provide a summary of the types of costs, timing and amounts Lakeland will incur.

### **VECC Question # 7**

**Reference:** Manager's Summary, Annual Security Audit, Page 16

Preamble: Lakeland indicates that it has budgeted for an annual security audit.

- a) Please provide the cost of the annual audit.

### **VECC Question # 8**

**Reference:** Manager's Summary, Smart Meter Costs, Table 1

Preamble: Table 1 provides a summary of smart meter capital and OM&A costs including MDM/R and TOU Beyond Minimum Functionality.

- a) Please provide the total smart meter capital and OM&A costs for the years 2006, 2007, 2008, 2009, 2010, 2011 and 2012 by customer class.

### **VECC Question # 9**

**Reference:** Smart Meter Model, Smart Meter Capital Cost and Operational Expense Data

- a) Please provide a breakdown of costs on Sheet 2 (Smart\_Meter\_Costs) by customer class.

### **VECC Question # 10**

**Reference:** Manager's Summary, Smart Meter Costs, Table 2(a) and Table 2 (b)

- a) Please recast Table 2 (a) and Table 2 (b) by rate class.

### **VECC Question # 11**

**Reference:** Manager's Summary, Smart Meter Disposition Rate Rider Calculation, Page 25

Preamble: Lakeland has allocated the outstanding smart meter true-up balance between the residential and GS < 50 kW customer classes. The Return (deemed interest plus return on equity) and Amortization have been allocated based on the

Weighted Average of the Residential and GS< 50 kW 1860 Weighted Meter Capital (CWMC) allocators in the 2006 Cost Allocation Review.

- a) Please provide the rationale.

### **VECC Question # 12**

**Reference:** 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 provide the information in Table 3(a) Revenue Requirement Calculation for Disposition Rate Rider and Table 3 (b) on page 24 of the Manager’s Summary by rate class.

### **VECC Question # 13**

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

Preamble: The Guidelines state, “The Board also expects that a distributor will provide evidence on any operational efficiencies and cost savings that result from smart meter implementation.”

- a) Please comment.

### **VECC Question # 14**

**Reference:** Board Guideline G-2011-0001, Smart Meter Funding and Cost Recovery – Final Disposition, dated December 15, 2011, Cost Beyond Minimum Functionality, Page 17

Preamble: The Guideline indicates that costs for TOU rate implementation, CIS upgrades, web presentation, etc. may be recoverable and that in its application a distributor should show how these costs are required for its smart meter deployment program and how they are incremental to the distributor’s normal operating costs. Sheet 2 of the Smart Meter Model shows audited costs under Capital Costs Beyond Minimum Functionality (category 1.6.3) & OM&A Costs Beyond Minimum Functionality (category 2.6.3) for 2009, 2010, 2011 and unaudited costs for 2012.

- a) Please demonstrate how these costs are incremental to normal operating costs.

**VECC Question # 15**

**Reference:** Manager's Summary, OM&A Cost Analysis, Page 22

- a) Please explain why OM&A costs were lower than expected by \$200K in 2011 (Table 2 (a) and \$110K in 2012 (table 2 (b)).
- b) Please provide the number of new hires (FTE's) by year to deploy the smart meter program and corresponding costs.