



PUBLIC INTEREST ADVOCACY CENTRE
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February 22, 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-2011-0417
Horizon Utilities 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,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Horizon Utilities Corporation
Ms. Indy Butany-DeSouza

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
Horizon Utilities Corporation 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: 2.0 Manager's Summary, Page 10

Preamble: Horizon indicates that the capital and operating costs are consistent with amounts previously reported to the Board for all prior years.

- a) Please provide a comparison of smart meter capital and OM&A forecasts in the previous applications to the current application (based on OEB categories) and explain any variances.

VECC Question # 2

Reference: 2.0 Manager's Summary, Pages 11-13

Preamble: Table 2 on Page 13 provides the number of smart meters installed by customer class for each the years 2007 to 2011. Horizon indicates that approval of a new deferral account is requested to record the revenue requirement associated with the estimated capital cost of \$2,729,880 of installing the remaining Residential and GS<50 kW Smart Meters in 2012, 2013 and 2014. Horizon indicates that at the end of 2011 it expects to have approximately 350 HTR residential Smart Meters installations.

- a) Please confirm the total number of meters installed by December 31, 2011 and advise of any updates.
- b) Please expand Table 2 to include the remaining meters to be installed in each year (2012, 2013, 2014) by customer class.

- c) Please confirm the total number of meters forecast to be installed by the end of 2012.
- d) Please indicate the number of Hard-To-Reach (HTR) Residential Smart Meters installed by year and indicate the % of total meters that are HTR.
- e) Please discuss the alternative metering technologies available to resolve confined spaces and unusual configurations.
- f) Please provide the name of the company selected for the installation of GS>50 kW Smart Meters.

VECC Question # 3

Reference: 2.0 Manager's Summary, Table 2, Page 13

Preamble: Horizon forecasts the total number of smart meters installed by December 31, 2011 as 230,713.

- a) Please summarize the types of meters installed for each rate class.
- b) Please complete the following table to show the average installed cost per meter.

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

VECC Question # 4

Reference: 2.0 Manager's Summary, Page 14

Preamble: Horizon indicates that THESL obtained a new and reduced per unit pricing arrangement from Elster and Elster agreed to provide the same pricing arrangement to Horizon.

- a) Please provide the effective date of the new pricing arrangement for Horizon.

VECC Question # 5

Reference 1: Smart Meter Model

Preamble: Horizon completed the Smart Meter Model (Appendix 2) provided by the OEB to arrive at the proposed Smart Meter Incremental Rate Rider and the proposed Smart Meter Disposition Rate Rider.

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 provide the calculations in Appendix 2 by customer class.
- b) Please recast Tables 7, 8, 9 and 10 by customer class. Reconcile to Tables 7, 8, 9 and 10 in the application.
- c) Please provide a table that summarizes the total Smart Meter Rate Adder Revenue collected by customer class.

VECC Question # 6

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 2007, 2008, 2010 and 2011.

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

VECC Question # 7

Reference: 2.0 Manager’s Summary, Page 21

Preamble: The deployment of smart meters and the implementation of TOU rates have required additional incremental human resources.

- a) Page 20, Table 6 – Please provide a breakdown of the Customer Communication, Change Management and Administrative costs.

- b) Page 21 – Please advise of the name and cost of the external project management firm retained in 2009 to assist internal staff to manage the project. Please advise if this firm continues to provide assistance.
- c) Page 21 - Please confirm the titles of the three new permanent positions created in 2010 and annual salary costs including benefits to manage the meter data collection process through AMI.
- d) Page 21 – Please confirm the annual cost of the five full time contract staff to support the expected escalation in call volumes. Please discuss the escalation in call volumes and advise of the length of these contracts.
- e) Please provide a breakdown of the total number and cost of additional incremental permanent and contract staff hired by year for the deployment of smart meters.
- f) Page 23 - Please advise of the staffing arrangements for the TOU Community Road Show.
- g) Page 30 – Please provide a copy of the customer survey. Please advise of the number of customers provided with a survey and the number of surveys completed.

VECC Question # 8

Reference: 2.0 Manager's Summary, Page 31

Preamble: Horizon indicates that the costs of providing meters to the GS>50 kW customer class will be borne by only those customers in that class.

- a) Please discuss in the context of the information provided in Table 9 on Page 34.