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February 24, 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-2011-0435
Innisfil Hydro Distribution Systems 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,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Innisfil Hydro Distribution Systems Ltd.
Ms. Brenda L. Pinke

EB-2011-0435

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
Innisfil Hydro Distribution Systems 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, 2. Collaboration of LDCs, Page 2

Preamble: Innisfil Hydro indicates the cost benefit of the services agreement (with Util-Assist inc.) was reviewed and renewed in January 2010.

a) Please provide details of the analysis/outcome of the cost benefit review of the services agreement.

VECC Question # 2

Reference: Manager's Summary, 3. Status of Implementation of Smart Meters, Page 3

Preamble: Innisfil Hydro indicates the costs in the table on Page 4, with the exception of the capital and OM&A projected for the remainder of 2011 and 2012, are actual costs incurred in the deferral accounts 1555 and 1556.

a) Please show the actual 2011 costs separate from the capital and OM&A costs projected for the remainder of 2011 in the table.

VECC Question # 3

Reference: Manager's Summary, 6.3 Meter Disposal, Page 6

Preamble: Innisfil Hydro indicates Greenport removed the storage bins and recycled the conventional meters at a no cost option.

a) Please explain "no cost option".

b) Please advise if there are any net proceeds and if yes, how they are accounted for.

VECC Question # 4

Reference: Manager's Summary, 6.2 Meter Deployment, Page 6

Preamble: Innisfil Hydro indicates that shortly after Trilliant was selected as the winning proponent, Olameter acquired Trilliant resulting in Olameter providing the deployment services.

a) Please discuss the impact this change had on smart meter deployment unit costs and provide the timelines for the award of the contract to Trillium and change to Olameter.

VECC Question # 5

Reference: Manager's Summary, Meter Deployment, Page 3

Preamble: As at November 30, 2011, 14,586 residential and GS<50 kW meters have been installed representing 99.08% deployment of smart meters.

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 type.

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

VECC Question # 6

Reference: Manager's Summary, 9. Integration with MDM/R, Page 8

Preamble: Innisfil Hydro indicates the project plan called for Unit Testing to be executed in the April to June 2011 timeframe but due to some delays, the project plan was re-filed and Unit Testing was completed as scheduled in December 2012.

a) Please provide specific details on the nature of the delays related to contractual obligations.

VECC Question # 7

Reference: Manager's Summary, 11. Customer Education, Page 9

a) Please provide a breakdown of the Customer Communication budget by year.

VECC Question # 8

Reference: Manager's Summary, 13. Annual Security Audit, Page 11

Preamble: Innisfil Hydro indicates with the mass deployment of AMI systems, security of the AMI network is critical.

a) Please provide the commencement date of the annual security audit and the annual budget for the audit.

VECC Question # 9

Reference: Manager's Summary, 16. Cost Variance, Page 14

Preamble: The Table on Page 14 compares costs for meter installed by 2010 with the projected costs for meters installed in 2011/2012.

a) The OM&A costs related to minimum functionality per Smart Meter are $10.09 for meters installed by 2010 and $277.41 for meters installed in 2011/2012. Please explain the variance.

VECC Question # 10

Reference: Manager's Summary, 16.1 Stranded Meter Costs, Page 15

a) Please provide the net book value of Innisfil Hydro's stranded meters at December 31, 2010 and December 31, 2012.

VECC Question # 11

Reference: Smart Meter Model (V2_17)

Preamble: Innisfil Hydro completed the Smart Meter Model provided by the OEB and used the data 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 the Smart Meter Model by customer class.

b) Please recast the tables on page 16 by customer class based on customer class cost causality as per part (a). Re-calculate the SMDR & SMIRR Rate Riders based on cost causality by customer class.

c) Please provide a table that summarizes the total Smart Meter Rate Adder Revenue collected by customer class.

VECC Question # 12

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).

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

VECC Question # 13

Reference: Smart Meter Model

Preamble: Sheet 2 provides Total Smart Meter OM&A Costs.

a) 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 and include the work functions for each position. Please provide all assumptions.

b) Please advise if Innisfil Hydro used internal staffing resources to install meters. If yes, please provide details of the type, quantity and cost of meters installed.

c) Sheet 2 shows Meter base repairs under 2.1.2 - Other. Please indicate where these costs are recorded.

VECC Question # 14

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 summarize Innisfil's operational efficiencies and cost savings.