

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.

Innisfil Response IR#1

In the fall of 2009 CHEC member LDC's were moving forward with the final stages of Smart Meter Implementation. At this time the CHEC LDC's were in various stages of the smart meter plan and the General Project Management Contract was due for renewal. In order to ensure value for both money and performance a sub-committee was established to review the following components,

- Performance
- Contract term
- Price evaluation (market value comparisons)
- Impacts and cost of changing Project Management

Based on the review and feedback from the sub-committee on the aforementioned components, the CHEC members agreed that renewal of the contract with Util-Assist would be most prudent.

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.

Innisfil Response IR#2

The following tables have been revised utilizing 2011 actual costs and meter installations, in addition the Smart Meter Model has been revised and resubmitted based on the Board Staff and VECC interrogatories.

Summary of Smart Meter Capital and OM&A Costs Including MDM/R and TOU Beyond Minimum Functionality

Costs	Actual Costs for Meters Installed by 2010	Costs for Meters Installed in 2011	Costs for Meters Installed in 2012	TOTAL Smart Meter Costs	TOTAL Cost per Smart Meter
Total of Smart Meter Capital Costs	\$ 2,078,864	\$ 115,950	\$ -	\$ 2,194,814	\$ 147.16
Total of Smart Meter OM&A Costs	\$ 143,364	\$ 241,561	\$78,800	\$ 463,725	\$ 31.09
Total of Smart Meter Costs	\$ 2,222,228	\$ 357,511	\$ -	\$ 2,658,539	\$ 178.26

Summary of Smart Meter Installations by Year (Updated with 2011 Actual Installs)

Installations	Meters Installed in 2009	Meters Installed in 2010	Meters Installed in 2011	Meters Installed in 2012	TOTAL
Residential Smart Meters Installed	9,958	3,707	238	23	13,926
General Service <50kW	0	550	326	112	988
Total Smart Meters Installed	9,958	4,257	564	135	14,914
Total CUMULATIVE Smart Meters Installed	9,958	14,215	14,779	14,914	

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.

Innisfil Response IR#3

- a) The “no cost option” as referenced in the Smart Meter Manager’s Summary refers to the recycling of the copper from the removed electrical meter(s). In the event that the price of copper falls below the benchmark of \$1.67/lb. USD, GPE (Green-Port Environmental Managers) guaranteed that there would be a minimum “no cost” to the Utility.
- b) The total net proceeds received from Green-Port Environmental were \$1,381.60, and has been recorded in account 1565 as a credit.

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.

Innisfil Response IR#4

- a) As the change to Olameter from Trilliant occurred prior to Innisfil’s deployment of the smart meter(s) there was no impact or change to smart meter deployment costs.

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				

Innisfil Response IR#5

- a) Please refer to OEB IR # 13 response a), b), and c).
- b) Please refer to OEB IR # 13 response a), b), and c).

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.

Innisfil Response IR#6

Innisfil's Manager Summary has the following information with respect to data integration with the MDM/R,

“The project plan called for Unit Testing to be executed in the April to June, 2010 timeframe but due to some delays, the integration project plan was re-filed and a new wave assignment was approved. Under the revised plan, unit testing was completed as scheduled in December, 2010 and System Integration (SIT) and Qualification Testing (QT) were completed in January and March, 2011 respectively in preparation for cutover to live data transfer with the MDMR by March 8, 2011.”

With respect to the delay for Unit Testing, the delays referenced to contractual obligations were in fact system enhancements required to our Billing system and availability of Customer Information required from North Star. Due to the volume and magnitude of change requests impacting our CIS and billing system in 2010 (Customer Service Code Amendments, etc.), requests were prioritized to meet regulatory compliance.

VECC Question # 7

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

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

Innisfil Response IR#7

The following amounts were recorded for Customer Communications by year (subset of 2.6.3),

2009 - \$9,064.48

2011 - \$53,402.04

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.

Innisfil Response IR#8

The initial audit of the Sensus AMI was undertaken by a 32 LDC consortium with Util-Assist, with an RFP released May 2010. Contract was awarded to Bell/Wurldtech October 2010. The actual security audit commenced April 2011 and completed February 2012.

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.

Innisfil Response IR#9

The table on page 14 is strictly an assessment of forecasted costs of the Smart Meter project compared to actual costs. Up until 2010 the majority of meters (14,215) had been installed thus generating the calculation of \$10.09. In 2011 the numbers of units installed were only 512 thus calculating the \$277.41. The intent of the calculations was to reflect the forecasted cost of \$45.38 per meter versus the actual of \$31.50 for OM&A.

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.

Innisfil Response IR#10

- a) Please refer to OEB IR # 4 response.

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.

Innisfil Response IR#11

- a) Please refer to OEB IR# 13 and #15
- b) Please refer to OEB IR #13 and #15
- c) Please refer to OEB IR #13 and #15

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.

Innisfil Response IR#12

The costs reflected in Section 1.6.3 (Capital Costs Beyond Minimum Functionality) and Section 2.6.3 (OM&A Costs Beyond Minimum Functionality) are composed of the following components,

- MDM/R integration module added to CIS
- Annual maintenance on the same
- Billing quantity requests/responses
- Provision of customer portal to view/download interval data to facilitate consumer conservation & education

While these costs are beyond the minimal functional specifications for the AMI system, they are fundamental components of developing a culture of conservation by enabling the billing of time-of-rates and thereby encouraging conservation.

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.

Innisfil Response IR#13

- a) For the deployment of smart meters Innisfil contracted the following incremental staff
 - a. 2 x 2 man crews (Olameter) from September 2009 to February 2010
 - b. Olameter also performed disconnects and reconnects throughout this timeframe
 - c. Metering student was contracted to deliver collection notices and assist with daily metering functions associated with the deployment
 - d. Functions in b. and c. provided capacity for Innisfil meter technician to install the transformer and polyphase meters when required
 - e. Full time SMI/TOU assistant in 2011 to assist with data analysis in the ODS, day to day operations pertaining to smart meter communications and data flow which freed up the Metering/IT Managers time for testing and the eventual cutover to the MDM/R

	2009	2010	2011
Olameter (Disconnect/Reconnect)	\$ 2,286.56	\$ 1,599.34	\$ -
Olameter (meter change outs)	\$ 102,269.53	\$ 33,931.56	
Contract Meter Student	\$ 45,032.74	\$ 19,563.08	\$ -
Contract TOU Admin	\$ -	\$ -	\$ 53,708.29
Equivalent FTE	2	0.5	1

- b) Innisfil Hydro utilized our meter technician for the change out of transformer and polyphase meters as required however the associated costs were recorded in our annual capital budget
- c) The expense in 2.1.2 – Other reflects expense costs for repairs to customer owned equipment in which the meter based was damaged during the change out.

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.

Innisfil Response IR#14

With the Smart Meter deployment and implementation Innisfil has identified one immediate source of cost savings. The elimination of monthly manual walk-up reads of old conventional meters and ITRON processing costs of the reads. The elimination of these functions represents an estimated savings of \$9,417.00 per month.

~All of Which is Respectfully Submitted~