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ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7
Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. http://www.piac.ca

Michael Janigan
Counsel for VECC
(613) 562-4002 ext. 26

June 01, 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-2012-0193
Oakville Hydro Electricity Distribution Inc.

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 Janigan
Counsel for VECC
Encl.

cc: Oakville Hydro Electricity Distribution Inc.
Mr. Jim Collins

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
Oakville Hydro Electricity Distribution Inc. (Oakville Hydro) 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: Application, Page 5

Preamble: Oakville Hydro has installed 58,720 Residential smart meters and 5,014 General Service less than 50 kW customers.

a) Please provide a calculation of the average costs per meter by year and rate class on a total cost basis (capex + opex) and capex only.

b) Please provide a schedule that compares the smart meter financial forecasts (capital & OM&A) in Oakville Hydro's previous applications to the current application and explain any variances greater than 10%.

VECC Question # 2

Reference: Application, Page 5, Program Status

a) Please summarize the types of meters installed for each rate class.

b) Please complete the following table to show average costs based on meter type.

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

VECC Question # 3

Reference: Application, Page 6

Preamble: Oakville Hydro indicates the costs associated with the Navigant report are included in this application.

a) Please highlight the outcomes of this study and impact on Oakville Hydro's subsequent smart meter roll out.

b) Please provide the total cost of this study and the corresponding cost category where these costs are included in the smart meter recovery model.

VECC Question # 4

Reference: Application, Pages 9-10

Preamble: Oakville Hydro partnered with a consortium of LDCs to complete an end-to-end security audit of its Sensus AMI system in July 2010.

a) Please describe the consortium and LDC membership.

b) Please advise of the status of the security audit and any security concerns identified to date.

c) Please identify the audit costs included in the current application.

VECC Question # 5

Reference: Application, Page 10

Preamble: Oakville Hydro requests that the Board accept this application on the basis that its audited costs will have exceeded 90% of the total program costs prior to the approval of its Application. Should there be any change to Oakville Hydro's audited program costs as a result of subsequent events prior to the approval of this Application; Oakville Hydro will file the revised costs with the Board.

a) Please provide a schedule that shows audited vs. unaudited costs on an annual basis and on a cumulative basis to demonstrate the percentage of total program audited costs.

b) If available, please provide the 2011 audited financial statements expected to be released in April 2012.

VECC Question # 6

Reference: Application, Page 21

Preamble: Oakville Hydro estimates that it will incur incremental capital costs of $200,000 in the year 2012 to complete the required upgrade to Oakville Hydro's CIS.

a) Please provide a breakdown of this cost.

VECC Question # 7

Reference: Application, Page 16

Preamble: Oakville Hydro provides information on one of the challenges it encountered in its smart meter rollout project related to the requirement to beta-test software.

a) Please discuss any other challenges Oakville Hydro encountered during its smart meter implementation. Please include the corresponding impact on costs and timelines.

VECC Question # 8

Reference: Application, Page 17

Preamble: Oakville Hydro indicates the majority of the OM&A costs recorded in the Advanced Metering Control Maintenance relate to incremental employee costs.

a) Please discuss how these incremental employee costs relate to the positions identified under Introduction-Smart Meter Deployment on Pages 15-16 of the application.

b) Please discuss if Oakville Hydro's own staff completed any Residential or general General Service smart meter conversions and if so, how these costs are reflected in the current application.

c) Please provide a summary of incremental internal labour costs incurred by Oakville Hydro to deploy smart meters in terms of positions, contract type (permanent vs. temporary, part-time vs. full-time), length of employment and work activities.

VECC Question # 9

Reference: Application, Page 23

Preamble: Oakville Hydro indicates in its 2010 cost of service process it anticipated and budgeted for operational savings related to the reduction of meter reading expenses with the activation of remote meter reading through the AMI network. However, the

tuning process took longer than anticipated and Oakville Hydro continued to incur a portion of those costs to read the smart meters manually.

a) Please quantify the meter reading cost savings to Oakville Hydro.

b) Please indicate how meter reading expenses and savings have been reflected in this application.

c) Please identify any other operational efficiencies and cost savings that Oakville Hydro has experienced or anticipates will result from smart meter implementation.

VECC Question # 10

Reference 1: Smart Meter Model (V2_17)

Preamble: Oakville 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.

a) Please confirm how the following costs are allocated to each class in Oakville Hydro's proposed allocation methodology in its application:
   - Return
   - Amortization
   - OM&A expenses
   - PILs

b) Please calculate the SMDR and SMIRR based on the following methodology proposed by PowerStream in EB-2011-0128, using capital costs as the allocation driver:
   - Allocation of the return (deemed interest plus return on equity) and amortization based on the capital cost of the meters for each class;
   - Allocation of OM&A based on number of meters installed for each class; and
   - Allocation of PILs based on the revenue requirement allocated to each class before PILs.
   - Allocation of SMFA based on the revenue collected from each class.

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."

c) Please complete a separate smart meter revenue requirement model by rate class.

d) Please re-calculate the SMDR & SMIRR rate riders based on full cost causality by rate class.

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

VECC Question # 11

Reference 1: Smart Meter Model (V2_17)

a) Column S of Sheet 2 shows capital and OM&A expenses for 2012. Please provide a table that summarizes the one-time expenses (in 2012 only) and ongoing expenses for meters installed, as of December 31, 2011.

b) For the SMDR, please provide the calculation using a period of 1 year instead of 2 years and discuss the impact.