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August 28, 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-2012-0327
Fort Frances Power 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 Janigan
Counsel for VECC
Encl.

cc: Fort Frances Power Corporation
Mr. Joerg Ruppenstein

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
Fort Frances Power Corporation (FFPC) for an order or orders
approving or fixing just and reasonable
distribution rates to be effective November 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 3

Preamble: FFPC indicates it had expected to implement Time of Use billing (TOU) billing in June 2011 but the actual implementation of TOU was delayed until November 2011.

a) Please provide an explanation of the reason(s) for the delay.

VECC Question # 2

Reference: Application, Page 3

Preamble: FFPC indicates it has installed 3,777 smart meters in the residential, GS<50 kW and GS>50 kW customer classes.

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

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

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

- c) Please provide a summary of FFPC's incremental internal labour costs included in this application in terms of positions, contract type (permanent vs. temporary, part-time vs. full-time), length of employment and work activities.

VECC Question # 3

Reference: Application, Pages 6 to 7

Preamble: The table on page 6 provides a smart meter program summary of 2011 LTD actual costs versus the original budgeted costs. On Page 7, FFPC provides a brief explanation of the variances. VECC seeks more details on the variance explanations provided.

- a) Please provide a breakdown of "smart meter installation costs other" for 2011 LTD actual costs compared to original budgeted costs and explain the variance for each component.
- b) Please provide a breakdown of "smart meter other equipment" for 2011 LTD actual costs compared to original budgeted costs and explain the variance for each component.
- c) Please identify the specific computer hardware and software costs and explain why the computer and hardware costs are \$34,946 greater than expected.
- d) Please provide further details on the incremental OM&A costs. Please provide further details to support the statement on page 7 "Fixed monthly fees for MAS and ODS maintenance created an unfavourable variance of \$83,776 versus budgeted expenses."
- e) Please explain why the TOU billing budget resulted in a favourable variance of \$58,581.

VECC Question # 4

Reference: Application, Page 4

Preamble: The table on page 4 provides a summary of the actual capital and OM&A costs as at December 31, 2011. VECC notes that the total average cost (capital and OM&A) for 3,776 installed meters is \$248.17 (excluding costs related to minimum functionality). The total average cost including costs beyond minimum functionality is \$262.67 (\$248.17 + \$14.41).

The Board's report, "Sector Smart Meter Audit Review Report", dated March 31, 2010, indicates a sector average capital cost of \$186.76 per meter (based on 3,053,931 meters (64% complete) with a capital cost of \$570,339,200 as at September 30, 2009).

The review period was January 1, 2006 to September 30, 2009. The average total cost per meter (capital and OM&A) is \$207.37 (based on 3,053,931 meters (64% complete) with a total cost of \$633,294,140 as at September 30, 2009).

The Board followed up on this review on October 26, 2010 and issued a letter to all distributors requiring them to provide information on their smart meter investments on a quarterly basis. The first distributors' quarterly update represented life-to-date investments in smart meter implementation as of September 30, 2010 and as of this date, the average total cost per meter is \$226.92 (based on 4,382,194 meters (94% complete) with the total provincial investment in smart meter installation of \$994,426,187).¹

- a) Please explain why FFPC's total average total costs per meter are higher than the recent distributor average of \$226.92.

VECC Question # 5

Reference 1: 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 identify any operational efficiencies and cost savings such as reduced meter reading costs that FFPC has experienced or anticipates will result from smart meter implementation.
- b) Please quantify any savings and confirm whether any realized cost savings have been included in this application.

VECC Question # 6

Reference 1: Application, Page 7

Preamble: The evidence indicates FFPC used Guelph's model (EB-2011-0123) to calculate class-specific SMDRs by using a more direct allocation of SMFA revenues and specific cost recovery by rate class

Reference 2: Board Guideline G-2011-0001, Smart Meter Funding and Cost Recovery – Final Disposition, dated December 15, 2011, Page 19

¹ Monitoring Report Smart Meter Investment – September 2010, March 3, 2011

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 complete a separate smart meter revenue requirement model by rate class.
- b) Please re-calculate the SMDR & SMIRR rate riders based on full cost causality by rate class.
- c) If FFPC is unable to provide separate smart meter revenue requirement models by rate class, please provide a detailed explanation.

VECC Question # 7

Reference: 2012 Smart Meter Model, 20120718, Sheet 2

- a) Please provide a breakdown of the costs by year for line 1.5.3 Professional Fees.
- b) Please identify the costs by year under 2.5.6 Other AMI Expenses.