



**PUBLIC INTEREST ADVOCACY CENTRE**  
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August 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-2012-0289**  
**Entegrus Powerlines 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: Entegrus Powerlines Inc.  
Mr. Christopher Cowell

**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  
Entegrus Powerlines Inc. (Entegrus) 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 25, Capital Costs

Preamble: The table on page 25 provides a summary of capital costs by rate zone and customer class.

- a) Please confirm the specific line items (e.g. 1.1.1 Smart Meters) from Sheet 2 of the smart meter model that make up the capital costs in the table.
- b) The costs for the residential and GS<50 kW rate classes are combined. Please provide the same table showing the capital costs for the residential and GS<50 kW customer classes separately for each rate zone.
- c) Please explain why the average installed meter costs for each rate class is significantly greater in the current application compared to the average costs in previously approved applications.
- d) Entegrus notes the relatively higher CKH average costs. VECC notes that there are also cost variances in the average costs by customer class when comparing the other rate zones (Strathroy, Mount Bridges & Parkhill, Dutton and Newbury) to one another. Please explain the variance in costs for each customer class for Strathroy, Mount Bridges & Parkhill, Dutton and Newbury.

**VECC Question # 2**

**Reference:** Application, Page 27, OM&A Costs to December 31, 2011

Preamble: The table on page 27 provides a summary of OM&A costs by rate zone and

customer class.

- a) Please confirm the specific line items (e.g. 2.1.1 Maintenance) from Sheet 2 of the smart meter model that make up the OM&A costs in the table.
- b) The costs for the residential and GS<50 kW rate classes are combined. Please provide the same table showing the OM&A costs for the residential and GS<50 kW customer classes separately for each rate zone.
- c) Please explain why the average installed meter costs for each rate class is significantly greater in the current application compared to the average costs in previously approved applications.
- d) Please explain the variance in costs between each customer class in Chatham-Kent, Strathroy, Mount Bridges & Parkhill, Dutton and Newbury.

### **VECC Question # 3**

**Reference:** Application, Page 27, OM&A Costs 2012 and Later

- a) Please provide a summary table that provides a description and breakdown of the individual costs under Line 2.3.1 Hardware Maintenance and Line 2.3.2 Software Maintenance.
- b) Please explain the increase in Line 2.3.2 Software Maintenance in 2012.

### **VECC Question # 4**

**Reference:** Application, Attachment A: Smart Meter Deployment Schedule

Preamble: Entegrus installed 6,529 smart meters as part of this application.

- a) Please provide a summary of incremental labour costs incurred by the Applicant 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 # 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 confirm the operational efficiencies and cost savings that Entegrus has experienced or anticipates will result from smart meter implementation.
- b) Please indicate how any cost savings have been reflected in the current application.

#### **VECC Question # 6**

**Reference:** Smart Meter Model, Chatham-Kent Hydro Inc. Residential

- a) Sheet 2 - Please explain the negative entries under lines 1.3.1 and 1.3.2.
- b) Sheet 8 – Please explain the SMFA revenue and interest calculation for May 2012.

#### **VECC Question # 7**

**Reference:** Attachment 0

- a) Please provide a breakdown of the total costs under line 2.1.1 Maintenance and explain the increase in 2011.
- b) Please provide a breakdown of the total costs under 2.5.6 Other AMI expenses.
- c) Please provide a breakdown of the costs under 2.6.3 under OM&A costs related to beyond minimum functionality.
- d) Please explain how the specific costs under 2.6.3 are incremental.

#### **VECC Question # 8**

**Reference:** Application, Page 25 Capital Costs, Page 27 OM&A costs

Preamble: VECC notes that the total average capital and OM&A costs for the residential and GS<50 kW rates classes is \$234 (\$201 + 33).

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).<sup>1</sup>

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

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<sup>1</sup> Monitoring Report Smart Meter Investment – September 2010, March 3, 2011