



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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

October 15, 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-2012-0310
Kingston Hydro 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: Kingston Hydro Corporation
Mr. James Keech

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
Kingston Hydro Corporation (Kingston) for an order or orders
approving or fixing just and reasonable
distribution rates to be effective January 1, 2013 to reflect the
recovery of costs for deployed smart meters.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC Question # 1

Reference: 2.0 Smart Meter and Time of Use Billing Implementation, Page 7

Preamble: The evidence states “In 2005 Kingston Hydro initiated a limited pilot study (500 meters) using CDM Third Tranche funding. The technology used in the pilot study was not the technology selected as part of the RFP process and as a result those meters were removed and replaced with KTI/Sensus meters during the smart meter deployment.

- a) Please explain the difference in the technology and why it was necessary to remove and replace the smart meters from the pilot study.
- b) Please confirm the cost of replacing the meters from the pilot study and confirm these replacement costs are included in this application.

VECC Question # 2

Reference: 2.1.1.1 Advanced Metering Infrastructure (AMI), Page 8

Preamble: The application states “The Advanced Metering Infrastructure (“AMI”) was purchased pursuant to the contract negotiated with KTI/Sensus following the selection of KTI/Sensus as the preferred proponent through the London Hydro RFP process. Kingston Hydro selected the option of owning the AMI equipment with operations performed by KTI/Sensus. This decision was made to mitigate operating risk.

- a) Please summarize the cost/benefit analysis undertaken by Kingston to arrive at the option to own the AMI equipment.

VECC Question # 3

Reference: 2.1.1.3 Meter Disposal, Page 9

Preamble: The evidence states “Approximately 2700 scrap meters were sold for use by another Canadian utility while the remainder were disposed of as scrap metal. A local scrap dealer was used. The scrap pricing is regularly tested against the local market and the use of a local company also eliminates the need for transportation of the materials and the company provides drop off and pick up of the bins.

- a) Please indicate how the scrap meter sales are reflected in this application.

VECC Question # 4

Reference: 2.1.1.7 Security Audit, Page 11

Preamble: “In 2011 Kingston Hydro, along with several other LDC’s using the KTI/Sensus technology, participated in the first stage of a security audit performed by Util-assist and Bell Wurdtech. This security audit focuses on the meters, communications between meters and head end AMI systems. It was determined that participation in the consortium would be the most cost effective approach to undertake this important assessment of the current systems’ risks and vulnerabilities.

- a) Please provide the cost of the security audit and indicate how this cost is reflected in the current application.

VECC Question # 5

Reference: 3.0 Status of Smart Meter and Time of Use Implementation, Page 12

Preamble: The evidence states “It is anticipated that approximately 600 meters per year will be required for new services and as replacements for malfunctioning meters. Our AMI provider has advised us that a hardware upgrade of the Advanced Metering Control Computer (AMCC) known as a Regional Network Interface will be required in 2013.

- a) Please provide a breakdown of the 600 meters between the number of new services and replacements.
- b) Please more fully explain the Regional Network Interface required for 2013.

VECC Question # 6

Reference: 4.0 Capital and Operation Expenses, Audited Costs, Page 13

Preamble: Kingston indicates that 90% or more of the total program costs are required to be audited and Kingston has achieved 85% audited costs. VECC notes that when 2013 forecast costs are excluded, audited costs represent 94% of the costs (\$4,811,487/\$5,102,821).

- a) Please provide the rationale for including 2013 forecast costs.

VECC Question # 7

Reference: 4.1 Capital Expenses, Table 4.1, Page 14

Preamble: In Table 4.1, Kingston provides actual expenditures from 2009 to June 30, 2012 and forecasted costs are for the remainder of 2012. VECC notes Table 4.1 also includes forecast 2013 capital costs.

- a) Please recast the table to include a column for 2012 actual to June 30, 2012 and 2012 forecast July 1, 2012 to Dec 31, 2012.

Reference: 4.2 Operations, Maintenance and Administration Expenses, Page 15

Preamble: In Table 4.2, Kingston provides actual expenditures from 2009 to June 30, 2012 and forecasted costs are for the remainder of 2012. VECC notes Table 4.2 also includes forecast 2013 OM&A costs.

- b) Please recast the table to include a column for 2012 actual to June 30, 2012 and 2012 forecast July 1, 2012 to Dec 31, 2012.

VECC Question # 8

Reference: 3.0 Status of Smart Meters and Time of Use Implementation, Page 12

Preamble: Kingston has installed a total of 26,385 meters.

- a) Please complete the following table to show the calculation of average costs based on meter type.

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

- b) Please provide a summary of Kingston'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 # 9

Reference: Smart Meter Model V3, 02120824, Sheet 2

Preamble: The evidence states “The installed meters and systems do not exceed the minimum functionality as specified in O. Reg. 425/06. Kingston has incurred costs beyond minimum functionality for integration with the MDM/R, TOU rate implementation, and forecasted web presentment.”

- a) Please provide a breakdown and description of the capital costs beyond minimum functionality regarding line 1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.
- b) Please provide a breakdown and description of the OM&A costs beyond minimum functionality regarding line 2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.
- c) Please explain how these costs are required for its smart meter program and how these costs are incremental.

VECC Question # 10

Reference: Cost Allocation, Page 17

Preamble: Kingston indicates “Class-specific smart meter cost data is not readily available so Kingston Hydro is proposing an allocator based on the number of class-specific smart meters installed. The number of smart meters installed for the Residential class was 23,244 and 3,141 smart meters installed for the General Service less than 50kW customer class, as filed in the smart meter filings. This has provided an allocation factor of 88.10% for Residential customer class and 11.90% for the General Service less than 50kW customer class.

- a) Please explain what Kingston means by “cost data is not readily available”.
- b) Please explain how Kingston tracked its smart meter capital and OM&A data by rate class.
- c) Please explain the rationale for a uniform SMIRR rate rider.

VECC Question # 11

Reference 1: Smart Meter Model V3, 20120824

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 complete a separate smart meter revenue requirement model by customer class. (This should include any adjustments resulting from interrogatory responses)
- b) Please re-calculate the SMDR & SMIRR rate riders based on full cost causality by rate class.
- c) Please provide a table that summarizes the total Smart Meter Rate Adder Revenue collected by customer class.
- d) If Kingston is unable to provide separate smart meter revenue requirement models by rate class, please provide a detailed explanation.

VECC Question # 12

Reference: Smart Meter Model V3, 20120824, Sheet 2

- a) Please explain the smart meter costs (1.1.1) and installation costs (1.1.2) incurred in 2009 but no smart meters installed in 2009.
- b) Please explain the smart meter installation costs of \$229,779 (1.1.2) incurred in 2011 and explain no smart meters costs (1.1.1), yet 477 smart meters were installed in 2011.
- c) Please provide a breakdown and explanation of smart meter costs (1.1.1) of \$133,103 in 2012, noting 20 meters are forecast for installation in 2012.
- d) Please provide a breakdown and explanation of smart meter costs (1.1.1) of \$153,000 in 2013, and explain no installation costs (1.1.2) in 2013 and no forecast smart meters to be installed in 2013.
- e) Please provide a breakdown and explanation of the forecast computer hardware costs (1.3.1) of \$120,000 in 2013.
- f) Please provide a breakdown and explanation of the forecast Other costs (Labour and Security) (2.1.2) of \$169,830 in 2013.
- g) Please provide an explanation of the increase in maintenance costs (2.2.1) in 2012 and 2013 compared to 2011.

h) Please provide a breakdown of one-time expenses and ongoing expenses in 2013.