



**PUBLIC INTEREST ADVOCACY CENTRE  
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October 31, 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-2012-0353  
Northern Ontario Wires 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,

A handwritten signature in black ink, appearing to read 'Michael Janigan', is written over a horizontal line.

Michael Janigan  
Counsel for VECC  
Encl.

cc: Northern Ontario Wires  
Mr. Geoffrey Sutton

**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  
Northern Ontario Wires Inc. (NOW) 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 #1:** Smart Meter Model V3 20120831, Tab 2

**Reference #2:** Exhibit 1, Tab 1, Schedule 6, Page 1

Preamble: Reference #1 shows 4 smart meter installations in 2011 for the GS>50 kW rate class and 2 forecast for 2012. Reference #2 shows 2 smart meter installations in 2011 and 4 forecast as of July 31, 2012 and an unknown total as of December 2012.

- a) Please confirm the actual smart meter installations in 2012 to date and forecast the smart meter installations as of December 2012 for the GS>50 kW customer class.
- b) Please provide the OM&A and capital costs by year to install smart meters for the GS>50 kW customer class.

**VECC Question # 2**

**Reference:** Exhibit 1, Tab 1, Schedule 6, Page 1

Preamble: The evidence states “The install of the remaining meters (primarily GS<50) was and continues to be delayed while NOW awaited delivery of meters.”

- a) Please confirm the remaining smart meter installations are primarily for GS>50 kW customers, not GS<50 kW.
- b) Please explain more fully the nature of the delay in the delivery of meters.

**VECC Question # 3**

**Reference:** Exhibit 1, Tab 1, Schedule 8, Page 2

Preamble: NOW Inc. evaluated the forecast effort required and costs associated with the mass deployment and concluded that the most cost effective approach to converting the conventional residential meters and some of the General Service (GS) less than 50 kW meters to smart meters was to utilize a third-party contractor.

a) Please discuss the analysis and results NOW relies upon to support this statement.

**VECC Question # 4**

**Reference:** Exhibit 1, Tab 1, Schedule 8, Page 4

Preamble: The evidence states “NOW has budgeted for an annual security, as this is a prudent approach to satisfying the due diligence requirements.”

a) Please provide the amount budgeted for an annual security audit and indicate where this cost is reflected in the smart meter model.

**VECC Question # 5**

**Reference:** Exhibit 1, Tab 1, Schedule 8, Page 6

Preamble: The evidence states “NOW Inc. has included the cost of a web presentment solution its smart meter OM&A forecasts for 2013.”

a) No costs are shown in the smart meter model for 2013. Please explain.

**VECC Question # 6**

**Reference:** Smart Meter Model V3 20120831, Tab 2

Preamble: NOW indicates it has installed 5,989 smart meters in the residential and GS<50 kW customer classes and 6 smart meters for the GS>50 kW customer classes for a total of 5,995 installed smart meters at a total cost of \$1,904,791.

a) Please provide a comparison of original budgeted costs vs. actual costs and explain any variances.

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

c) 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									

<b>GS&lt;50 kW</b>									
<b>GS&gt;50 kW</b>									

**VECC Question # 7**

**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 NOW has experienced or anticipates will result from smart meter implementation.
- b) Please quantify any savings and explain how any realized cost savings have been reflected in this application.

**VECC Question # 8**

**Reference 1:** Smart Meter Model V3 20120831, Tab 10 A

**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 confirm the methodology used by NOW to calculate the SMDR rate riders.
- b) Please complete a separate smart meter revenue requirement model by rate class based on full cost causality by rate class.
- c) Please re-calculate the SMDR & SMIRR rate riders based on full cost causality by rate class.
- d) Please provide a breakdown of the total Smart Meter Rate Adder Revenue collected by customer class.
- e) If NOW is unable to provide separate smart meter revenue requirement models by rate class, please provide a detailed explanation.

**VECC Question # 9**

**Reference:** Smart Meter Model V3 20120831, Tab 2

- a) Please provide a breakdown and explanation of the costs by year for line 1.5.3 Professional Fees.
- b) Please provide a breakdown and explanation of the costs by year for line 2.3.1 Hardware Maintenance.
- c) Please provide a breakdown and explanation of the costs by year under 2.5.6 Other AMI Expenses.
- d) Please provide a breakdown and explanation of the costs by year under 1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.
- e) Please provide a breakdown and explanation of the costs by year under 2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.