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December 19, 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-2012-0104
Algoma Power 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: Algoma Power Inc.
Mr. Douglas R. Bradbury

EB-2012-0104

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
Algoma Power Inc. (API) for an order or orders
approving or fixing just and reasonable
distribution rates to be effective January 1, 2013 under
the Board's guidelines for 3rd Generation Incentive
Regulation Mechanism including the
recovery of costs for smart meter installations.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC Question #1

Reference: Smart Meter Funding and Cost Recovery, Page 3

Preamble: The application states that the collaborative effort between CNPI (API's affiliate company) and Westario Power Inc. and Grimsby Power Inc. allowed API to benefit from sharing the costs of specific aspects of the project such as IT development costs.

a) Please identify and quantify any benefits from sharing costs through this collaboration.

b) Please indicate how any savings are reflected in the current application.

VECC Question #2

Reference: Smart Meter Funding and Cost Recovery, Page 4

Preamble: The evidence indicates "Early in the planning process, the D9 utilities recognized that there would be great value in pursuing a collective approach to implementing AMI systems."

a) Please quantify any savings resulting from the D9 LDCs collaboration.

b) Please indicate how any savings are reflected in the current application.

VECC Question #3

Reference: Smart Meter Funding and Cost Recovery, Page 6

Preamble: The evidence indicates the D9 utilities decided to collectively lease the RNI from Sensus who would own the RNI and be responsible for its operation and maintenance and the D9 utilities felt that this was the best option at the time because of the utilities' unfamiliarity with the technology.

a) Please comment on API's current position on the option to own the RNI.

VECC Question #4

Reference: Smart Meter Funding and Cost Recovery, Page 20

Preamble: API indicates the next significant challenge it faced was obtaining optimal locations for the actual siting of the 8 TGBs.

a) Please discuss why the negotiations were unsuccessful for 3 of the 7 locations planned for 3rd party radio towers.

VECC Question #5

Reference: Schedule 1, Smart Meter Recovery Model

Preamble: The smart meter capital cost and operational expense data sheet of the model shows 34 smart meter installations in 2011 for the GS>50 kW rate class.

a) Please confirm the customer classes impacted by smart meter implementation.

b) Please discuss how the costs to install 34 smart meters for the GS>50 kW customer class are reflected in the current application.

c) Please provide a breakdown of the capital and OM&A costs to install smart meters for the GS>50 kW customer class.

VECC Question #6

Reference #1: Smart Meter Funding and Cost Recovery, Schedule 2
Reference # 2: Smart Meter Funding and Cost Recovery, Schedule 1

Preamble: At reference #1, Schedule 2 shows 11,535 total smart meter installations: 7,040 residential, 3,548 seasonal and 947 GS<50 kW. At reference #2, Schedule 1 shows total smart meter installation costs: $4,499,796 capital and $99,868 OM&A.

a) Please provide a comparison of original budgeted costs vs. actual costs and explain any variances greater than 5%.

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									
Seasonal									
GS<50 kW									
GS>50 kW									

VECC Question #7

Reference: Smart Meter Funding and Cost Recovery, Page 25

Preamble: API states that it recognizes the fact that certain smart meter program costs were more specific to a rate class.

a) Please explain this statement more fully and provide details on the smart meter program costs that are more specific to a rate class.

VECC Question #8

Reference 1: Smart Meter Funding and Cost Recovery, Schedule 1

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 summarize the methodology used by API to calculate the SMDR rate riders.

b) Please complete a separate smart meter revenue requirement model by customer class based on full cost causality by rate class. Please provide live smart meter models.

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 API is unable to provide separate smart meter revenue requirement models by customer 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 1.5.1 Customer Equipment.

b) Please provide a breakdown and explanation of the costs by year under 1.6.3 (Computer Software): Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

c) Please discuss if API has budgeted an amount for an annual security audit and if yes, please indicate where this cost is reflected in the smart meter model.

VECC Question #10

Reference: Smart Meter Funding and Cost Recovery, Schedule 2 & Schedule 3

a) Please confirm the proposed time period to collect the SMDR and SMIRR.

b) Please confirm the source of the net deferred revenue requirement of $1,740,361 and the incremental revenue requirement of $733,567.

VECC Question #11

Reference: Smart Meter Funding and Cost Recovery, Page 32

Preamble: The evidence indicates API will design and propose rates in its 2013 IR application to dispose of the balances in a manner consistent with the Board's Decision in the matter of EB-2012-0152. The proposed smart meter cost recovery rate riders are included in the proposed Tariff of Rates and Charges effective January 1, 2013.

a) Please provide the calculation for the smart meter cost recovery rate riders by customer class as proposed in the Tariff of Rates and Charges effective January 1, 2013.