Michael Janigan
Counsel for VECC

November 17, 2014

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-2014-0301
     Essex Powerlines 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: Essex Powerlines Corporation

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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
Essex Powerlines Corporation (Essex) for an order
approving a Smart Meter Disposition Rate Rider ("SMDR") and a
Smart Meter Incremental Revenue Requirement Rate
Rider ("SMIRR"), each to be effective January 1, 2015.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC-1

Reference: General

a) Please provide the amount, percentage and nature of unaudited costs proposed for recovery in this application.

RESPONSE:

All actual costs proposed for recovery in this application have been audited.

VECC-2

Reference 1: Paragraph 31
Reference 2: 2014 Smart Meter Model, Sheet 2

Preamble: At Reference 1, Essex indicates its "smart meter application is requesting recovery for the 27,922 smart meters installed in its service territory during the smart meter initiatives." At Reference 2, the total number of smart meters installed is 27,857. Please reconcile.

RESPONSE:

Paragraph 31 is correct and the model should reflect 27,922. This has been changed in the revised Smart Meter Model version 5.0, sheet 2.

VECC-3

Reference: 2014 Smart Meter Model, Sheet 2

Preamble: Essex installed 26,031 residential and 1,826 GS<50 kW smart meters.

a) Please complete the following table to show the average installed cost by meter type and customer class.

Class	Type of Meter	Quantity	Installed Cost	Average Costs
Residential	Elster Rex 2	26,795	$ 2,791,302	$ 104.17
GS<50 kW	Elster 1 ph TX	1,056	$ 128,168	$ 121.37
	Elster 3 ph TX	924	$ 599,635	$ 648.96

VECC-4

Reference: Paragraph 33

Preamble: Essex indicates its Capital and OM&A costs relating to new (growth) smart meter installs post – 2011 have not been included for recovery in this application. EPLC will include any costs beyond the period of this application as part of its next Cost of Service application.

a) Please explain further why these costs are not included in this application.

RESPONSE:

See the revised Smart Meter Model version 5.0 submitted in response to Board Staff IR#10.

VECC-5

Reference: Paragraph 34

Preamble: Essex's Operating Costs have increased due to the installation of Smart Meters, but certain cost savings have resulted due to the implementation of smart meters, namely the manual meter reading costs. Reduced costs resulting from the smart meter program have not been reflected in the smart meter model as EPLC will consider them in its next cost of service rate application.

a) Please quantify the savings.

RESPONSE:

While manual meter reading costs have been reduced, other costs have been incurred that offset these costs such as the smart meter operational data store function, additional staff time to deal with MDMR issues, smart meter reading issues etc. The

smart meter network does provide electricity consumption data and other information such as power outages, tampering, and voltage readings that can be used by staff to troubleshoot the meter before they go out in the field. This reduces field visit costs. These savings are difficult to quantify but will eventually be reflected in reduced operation and maintenance costs. Future investment in an outage management system (OMS) will provide information that will assist with earlier detection of customer problems such as tampering, equipment failures, voltage issues and power interruptions that should result in faster and more efficient maintenance and repair and better customer service. As per paragraph 34, these reduced costs and customer service improvements will eventually be reflected as reduced costs in our next cost of service filing.

VECC-6

Reference: Paragraph 38

Preamble: Essex indicates the smart meter funding adder revenue was collected from other classes other than Residential and GS<50 kW but the amount is not significant based on the overall revenues collected.

a) Please explain how the revenue from other rate classes was reallocated.

RESPONSE:

The revenue from other rate classes was reallocated based on the split as shown in paragraph 38. 93.5% was allocated to the residential class and 6.5% was allocated to the GS<50 class.

VECC-7

Reference 1: 2014 Smart Meter Model

Preamble: Essex completed the Smart Meter Model to calculate the proposed Smart Meter Disposition Rate Rider (SMDR) and proposed Smart Meter Incremental Rate Rider (SMIRR).

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 discuss if Essex kept records by customer class and if accounts 1556 and 1555 are segregated by rate class? If not, why not?

RESPONSE:

Essex did not keep cost records by customer class as it was not required at the time. The board guideline issued in December 2011 that suggests cost causality by customer class, was issued when the installation process was virtually completed. It is now not practical and the data is not available to determine the cost causality by customer class.

b) Please provide the SMFA amounts collected by rate class.

RESPONSE:
See paragraph 38.

c) Please complete a separate smart meter revenue requirement model by customer class based to recalculate the SMDR and SMIRR rate riders based on full cost causality by rate class. Please provide live smart meter models.

RESPONSE:

Essex did not keep cost records by customer class.

d) Please summarize the recalculated SMDRs and SMIRRs by customer class based on the results of part (c).

RESPONSE:
Not applicable – see responses to a, b and c.

VECC-8

Reference: 2014 Smart Meter Model, Sheet 2

a) Sheet 2: In 2008 there are smart meter costs and installation costs (Lines 1.1.1 & 1.1.2) but no smart meters are shown as installed. Please explain.

RESPONSE:

See revised model to include smart meters in 2008.

b) Sheet 2: Please explain the higher installation costs in 2010 and 2011 compared to 2009.

RESPONSE:

The 3 phase meters were installed in 2010 and 2011 and they have higher costs.

c) Sheet 2: Line 2.2.6 Other AMI Expenses: Please provide an explanation of these costs in 2009 and 2010.

RESPONSE:

There is no 2.2.6 in sheet 2. If you are referring 2.5.6, the costs are for replacing broken meter bases.

d) Sheet 10A: Please explain why the number of smart meters installed in the GS<50 kW customer class differs from the smart meters installed for this class shown on Sheet 2 of the Model.

RESPONSE:

This has been corrected in the revised Smart Meter Model 5 submitted in response to Board Staff IR#10.