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BY E-MAIL

November 7, 2008

Board Secretary
Ontario Energy Board
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Lakefront Utilities Inc. EB-2008-0277
Motion to Review and Vary**

Please see attached Board Staff Interrogatories for the above proceeding. Please forward the attached to Lakefront Utilities Inc. and all intervenors in this proceeding.

Yours truly,

Original Signed By

Christie Clark
Case Manager

Board Staff Interrogatories for Lakefront Utilities Inc. EB-2008-0277

Re-Sealing Expired and Nearly Expired Meters

In EB-2007-0761, Lakefront Utilities Inc. (“Lakefront”) filed a smart meter plan with the intent to install smart meters throughout its entire service territory in 2008.¹ In its Decision, the Board denied implementing the plan in 2008 because Lakefront was not one of the named utilities that had the Ontario Ministry of Energy’s permission to proceed.

On June 25, 2008 the government filed amendments to O. Reg. 427/06 (Smart Meters: Discretionary Metering and Procurement Principles), that:

- Authorize metering activities pursuant to the Request for Proposal (RFP) for Advanced Metering Infrastructure (AMI) – Phase 1 Smart Meter Deployment issued August 14, 2007 by London Hydro Inc. This would include distributors named in the RFP and those distributors that procure AMI pursuant to the parameters established by the RFP;
- Allow previously authorized distributors to continue to move forward with metering activities beyond the original procurement process, provided subsequent procurements meet the standards prescribed by regulation;

1. What steps has Lakefront taken since June 25, 2008 towards implementing its smart meter plan?
2. What timeline has Lakefront developed for the acquisition, and subsequent installation of the meters?
3. When will the system be commissioned and operated?
4. What are the typical procedures for Lakefront when meters near the end of their seal period in regards to the customer meter?
5. Are there alternatives under the Electricity and Gas Inspection Act and regulations pursuant to that act for situations where new technologies are imminent and seals are expiring?
6. Are all of the expired or nearly expired meters required to be tested, or is only a sample required?

¹ EB-2007-0761 Exhibit 1/Tab 2/Schedule 1

7. If a sample, how large is the sample?
8. What is the timing that Lakefront is expecting to carry out the re-sealing programme?
9. In the response to an interrogatory in the EB-2007-0761 proceeding, Lakefront stated; "Approximately half of our customers' meter seals are expired or on the verge of expiration. We have advised Measurement Canada and sought a reprieve."²
 - 9.1. What was the outcome of the request to Measurement Canada?
 - 9.2. If a reprieve was granted, what are the terms and conditions? Could the reprieve be extended?
 - 9.3. If the reprieve was not granted, please provide the reasons for not granting the request.
 - 9.4. Are there other actions that could be taken to bridge the gap between the expired seals and the installation of the smart meters?

Voltage Conversion Program

The request to advance the voltage conversion programme into 2008 would increase capital expenses and rate base.

10. If approved, when will Lakefront complete this advanced voltage conversion?
11. What would be the estimated capital expenditure for this advanced programme for 2008 and for 2009?
12. What would that make the total of all capital expenditures for 2008?
13. How does this total of all capital expenditures compare to historical spending over the past 5 years?
14. Please provide the resultant 2008 rate base if this expenditure is approved.

Interest Revenue

Lakefront is requesting that its revenue requirement be adjusted for the fact that it had included interest on retained earnings as a revenue off-set, when it should not have.

15. Please provide Lakefront's definition of retained earnings as used in this context.
16. In the interest of clarifying if this revenue is interest from one source, or several which may or may not be non-revenue requirement related, please explain this error by defining the nature of the entries in the account(s).
17. Was this interest included in the calculation of PILs? If so, what would be the revenue requirement with the interest removed from PILs?

² EB-2007-0761 Board staff interrogatory 2.5