



## PARRY SOUND POWER

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A Member of:



August 3, 2012

Ms. Kirsten Walli,  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
P.O. Box 2319  
Toronto, ON  
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Parry Sound Power Corporation – Licence #ED-2003-0006  
2012 Smart Meter Prudence Review Application**

Parry Sound Power is submitting a stand-alone application for Smart Meter Cost Recovery – Final Disposition using the Ontario Energy Boards Guideline (G-2011-0001) and the OEB Smart Meter Model V2.17.

An electronic copy of the application (PDF & excel) will be submitted through the OEB e-filing services and two hard copies via courier. All of the confidential materials submitted will be provided in a sealed envelope with the two hard copies.

If you have any questions, please contact the undersigned.

Yours truly,

Miles Thompson  
Vice President, General Manager  
Parry Sound Power Corporation  
125 William Street  
Parry Sound ON.  
P2A 1V9  
705-746-5866 Extension #24

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF the *Ontario Energy Board Act, 1998, S.O.1998, c.15 (Sched. B)*;**

**AND IN THE MATTER OF an application by Parry Sound Power Corporation for an Order or Orders approving rates for smart meter cost recovery to be implemented January 1, 2013.**

**APPLICATION**

1. The Applicant is Parry Sound Power Corporation ("Parry Sound"). Parry Sound is a licensed electricity distributor operating pursuant to license ED-2003-0006. Parry Sound distributes electricity to approximately 3,467 customers in the Town of Parry Sound.
2. Parry Sound hereby applies to the Ontario Energy Board (the "Board") for an order or orders approving recover of smart meter capital and OM&A costs related to minimum functionality and smart meter capital and OM&A costs incurred beyond minimum functionality, effective January 1, 2013.
3. The cost recovery is based on actual audited costs incurred until December 31, 2011 and forecasted costs to December 31, 2012.
4. The application for recovery of smart meter costs includes the following:
  - a. Manager's Summary
  - b. OEB Smart Meter Model V2.17
  - c. Addendum 1 – Util-assist – CHEC Smart Meter Summary Report August 15, 2011
  - d. Addendum 2 – Attestation Letter of the Fairness Commissioner
  - e. Addendum 3 – Meter Deployment RFP
  - f. Addendum 4 – Operational Data Store RFP
  - g. Addendum 5 – Wide Area Network RFP
  - h. Addendum 6 – Confidential Materials Filed with the Board
    - Meter Deployment RFP Evaluation
    - Operational Data Store RFP Evaluation
    - WAN RFP Evaluation
    - Meter Disposal RFI
    - Copies of contract with vendors
  - i. Addendum 7 – Bill Impacts

## Smart Meter Prudence Review Manager's Summary

### 1. Introduction:

This application is being filed by Parry Sound Power Corporation for smart meter cost recovery for the implementation of smart meters in the LDC's service area. The cost recovery is based on actual audited costs incurred to December 31, 2011 with interest costs, web presentment and other costs forecasted to December 31, 2012.

Parry Sound Power Corporation is specifically requesting the following:

1. Smart Meter Disposition Rate Rider (per metered customer per month) of \$1.80 for two years (January 1, 2013 to December 31, 2014) for Residential customers and a Smart Meter Disposition Rate Rider (per metered customer per month) of \$5.45 for two years (January 1, 2013 to December 31, 2014) for General Service < 50 kW customers. This rate rider reflects the Net Deferred Revenue Requirement of \$190,107.26 being the difference between the Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 and the SMFA revenues collected from 2006 to May 31, 2011.
2. Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month) of \$2.00 for two years (January 1, 2013 to December 31, 2014) for Residential customers and a Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month) of \$5.21 for two years (January 1, 2013 to December 31, 2014) for General Service < 50 kW customers. This rate rider reflects the Incremental Revenue Requirement for 2012.
3. Parry Sound Power Corporation is not requesting recovery of the stranded meter costs. Stranded meter costs have been transferred to a sub-account of 1555 without carrying charges being applied going forward. Depreciation expenses for the stranded meters were not included in 2011 rates going forward. Stranded meters are in sub-account 1555 and will remain there and be dealt with in our next cost of service application.

### Bill Impact Summary

Parry Sound Power Corporation has submitted the 2013 IRM3 Rate Application under Board file number EB-2012-0159. Shown in Table #1 below are the results of the distribution rate adjustments and overall bill impacts for Residential and General Service less than 50 kW customers from the IRM3 Application.

Table #1 – Bill Impacts Prior to Smart Meter Rate Riders

Class	kWh	Distribution Impact	Total Bill Impact
Residential	800	-7.16%	-1.91%
GS<50	2000	-10.33%	-2.05%

The bill impacts shown in Table #1 do not take into account the smart meter disposition rate rider and the smart meter incremental revenue requirement rate rider. As such, I have provided Table #2 below to show the distribution and bill impacts to residential and GS<50 kW customers with the smart meter rate riders included.

**Table #2 – Bill Impacts with Smart Meter Rate Riders**

Class	kWh	Distribution Impact	Total Bill Impact
Residential	800	4.23%	1.19%
GS<50	2000	8.77%	1.82%

The bill impacts for residential and general service customers are portrayed in more detail in Addendum 7 of the document.

## 2. Collaboration of LDCs:

Parry Sound Power Corporation participated with LDCs within the Cornerstone Hydro Electric Concepts Association (CHEC) to implement smart meters in a cost effective manner. The collaborative initiative assisted LDCs in the development of project plans, RFPs and contract evaluations. As part of the collaborative effort CHEC LDCs entered into a professional services agreement with Util-Assist Inc., an Ontario consulting firm specializing in metering solutions and technologies, to assist with the development of the project plan, RFPs, evaluations, award of contract, project monitoring, problem solving and reporting. The cost benefit of the services agreement was reviewed and renewed in January of 2010. Review documents are included in Addendum 6 as confidential material.

CHEC is a not-for-profit member owned organization that provides value added services to their Local Distribution Companies (LDC) members. CHEC strives to reduce LDC costs through sharing of knowledge and information as well as providing savings through joint purchasing of goods and services with its members.

The twelve LDCs which form CHEC represent a customer base of approximately 100,000 customers. The existing members in CHEC include the following LDCs:

- Centre Wellington Hydro
- COLLUS Power
- Innisfil Hydro
- Lakefront Utilities
- Lakeland Power Distribution
- Midland Power Utility
- Orangeville Hydro
- Parry Sound Power
- Rideau St. Lawrence Distribution
- Wasaga Distribution
- Wellington North Power
- West Coast Huron Energy.

