



September 4, 2009

By e-mail

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

**Re EB-2009-0158 and EB-2009-0192**

**NOTICE OF APPLICATION AND WRITTEN HEARING RELATED TO THE  
APPROVAL OF A SMART METER FUNDING ADDER;  
NOTICE OF APPLICATION AND WRITTEN HEARING RELATED TO THE  
RECOVERY OF LRAM/SSM AMOUNTS**

Please find enclosed responses to the Information Requests (the "Interrogatories") filed by the Ontario Energy Board Staff and the Vulnerable Energy Consumers Coalition ("VECC") with regards to the above Smart Meter Funding Adder Application.

The responses to the Interrogatories filed by VECC regarding the Recovery of LRAM/SSM Amounts will be filed with the Ontario Energy Board on Tuesday September 8<sup>th</sup>, as Horizon Utilities is working with SeeLine Group to validate data information.

Should you have any questions or require further information in this regard please do not hesitate to contact me.

Yours truly,

*Original signed by Cameron McKenzie*

Cameron McKenzie  
Director, Regulatory Services  
Horizon Utilities Corporation

Cc: Indy Butany-DeSouza, Horizon Utilities Corporation

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S. O. 1998, c.15 Schedule B of the *Energy Competition*  
*Act*, 1998 S.O. 1998, c. 15;

**AND IN THE MATTER OF** an Application by Horizon Utilities Corporation to  
the Ontario Energy Board (“OEB”) for an Order or Orders approving the recovery  
of amounts related to Conservation and Demand Management activities.

HORIZON UTILITIES CORPORATION (“Horizon Utilities”)

APPLICATION FOR APPROVAL AND RECOVERY OF  
AMOUNTS RELATED TO CDM

RESPONSES TO THE VULNERABLE ENERGY CONSUMERS  
COALITION (“VECC”) INTERROGATORIES

**Filed: September 4, 2009**

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**Question #1**

**Reference:** Managers' Summary Page 2

Preamble

"In support of this application, Horizon Utilities is providing:

- i) a detailed meter installation plan which includes the number of meters proposed to be installed and a monthly installation schedule during which the proposed smart meter funding adder is expected to be in effect;
- ii) the actual or estimated costs in total and on a per meter basis for:
  - 1. procurement and installation of the components of the Automated Meter Interrogation ("AMI") system;
  - 2. customer information system ("CIS");
  - 3. incremental operating and maintenance activities;
  - 4. changes to ancillary systems;
  - 5. stranded meters;
- iii) business plan justification for any smart meter or AMI costs that are incurred to support functionality that exceeds the minimum functionality adopted in O. Reg. 425/06, and an estimate of those costs;
- iv) a statement as to whether the distributor has incurred, or expects to incur, costs associated with functions for which the SME has the exclusive authority to carry out pursuant to O. Reg. 393/07, and an estimate of those costs."

- a) Please provide copies of the indicated information
- b) Provide details of meter procurement costs according to each major procurement
- c) Compare the residential customer class costs in the SM plan to the actual costs to date

- i. Meters Capital
- ii. Unit costs
- iii. AMI costs
- iv. Incremental OM&A
- v. Integration and other back office costs
- vi. Stranded meters, including removal and salvage

**Response:**

a) i) Horizon Utilities' Smart Meter Investment Plan (EB-2006-0246), as filed with the OEB on December 15, 2006, is provided as Attachment "A" to these responses. As discussed in this current Application filed May 19, 2009, Horizon Utilities has advanced its Smart Meter program in order to have 99% of its Smart Meters installed for all Residential and Small General Service customers by the end of 2009. In order to accomplish this, Horizon Utilities plans to install 80,000 Smart Meters over twelve months in 2009 as identified in the Application at Table 2 - Meters to be Installed in 2009.

ii) In accordance with the OEB's August 8, 2007 Decision With Reasons EB-2007-0063, Horizon Utilities has provided the actual or estimated costs in total and on a per meter basis for i) procurement and installation of the components of the Automated Meter Interrogation ("AMI") system; ii) customer information system ("CIS"); iii) incremental operating and maintenance activities; iv) changes to ancillary systems, and v) stranded meters in Table 6 of the Application. The OEB Decision states:

"The Board finds that it is in the public interest that the prices charged to the applicants, including unit prices, installation costs and the contractual terms, be kept confidential. However, the aggregated per unit installed prices will be part of the Decision."

Horizon Utilities has filed the aggregated per unit installed prices.

iii) Horizon Utilities Smart Meter Investment Plan (EB-2006-0246) provided for the installation of Smart Meters on General Service >50 kW customers which Horizon Utilities has identified as beyond minimum functionality in Section 5 of the Application. Horizon Utilities provided the capital costs of the three phase meters in this Application in the amount of \$2,921,243. Horizon Utilities would note that this includes three phase meters for small general service customers as well.

iv) In Section 5 of the Application Horizon Utilities provided a statement that Horizon Utilities has incurred, or expects to incur, costs associated with functions for which the

SME has the exclusive authority to carry out pursuant to O. Reg. 393/07, and the estimate of those costs.

- b) As discussed above, the OEB's August 8, 2007 Decision with Reasons EB-2007-0063, provides for the confidential treatment of costs and as such all costs are aggregated into per unit installed prices. Horizon Utilities has provided its planned capital expenditures for 2009 in Table 4 and the per meter cost in Table 6 of the Application.
- c) i) The following table compares the Residential customer class costs in the Smart Meter plan to the actual costs for the year to date period ending July 2009.

	Smart Meter Plan to July	July 2009 YTD Actual
Residential	3,000,000	3,277,351
MDM/R	181,440	63,751
SM TOU Web	57,600	61,091
	3,239,040	3,402,192

- ii) The following table compares the Residential customer class per meter costs in the Smart Meter plan to the actual costs for the year to date period July 2009. The YTD per meter costs do not reflect the smart meter plan capital budgeted for the third and fourth quarter of 2009. The expected projection to the end of 2009 is provided in the interrogatory question 2 c) below.

	Smart Meter Plan Unit Cost	July 2009 YTD Unit Costs
Residential	107	88
MDM/R	6	2
SM TOU Web	2	2

- iii) Horizon Utilities' AMI capital costs are included in the Residential customer class capital costs provided above in part i) to this question as per the OEB Decision EB-2007-0063.

Horizon Utilities' AMI OM&A costs are provided in the table below.

	Smart Meter Plan	July 2009 YTD
AMI OM&A	470,675	176,821

- iv) Horizon Utilities' Incremental OM&A costs are provided in the table below.

	Smart Meter Plan	July 2009 YTD
Incremental OM&A	675,928	196,517

- v) Horizon Utilities' Integration and other back office costs are provided in the table below.

	Smart Meter Plan	July 2009 YTD
Integration & back office	186,400	1,678

- vi) Horizon Utilities has not included stranded meter costs in this Application as discussed in Section 7 of the Application.

**Question #2**

Reference: Managers' Summary Page 4 Table 2 and Page 5 Tables 4 and 5

Preamble: These Questions pertain to the Residential Class only (not GS<50kW)

- a) Please update the accomplishment of residential SM installations to the end of July or August (depending on availability of data)
- b) Provide a projection of the # units to be installed by the end of the Calendar year.
- c) Provide year to date (July or August) Capital expenditures and projection to the end of 2009.
- d) Provide the "as installed unit cost " 2009 YTD and compare this to that in the budget indicate the reasons for any variance.

**Response:**

- a) Horizon Utilities has installed 56,155 Residential Smart Meters to the end of July 2009.
- b) Horizon Utilities projects that approximately 75,140 Residential Smart Meters will be installed by the end of 2009, of which 28,800 Smart Meters were purchased and capitalized in 2008.
- c) Horizon Utilities has provided the actual year to date capital expenditures ending July 2009 in response to Question 1 c) i) above and has provided the projected capital expenditures to the end of 2009 for the Residential class in the table below.

	July 2009 YTD Actual	2009 Projected
Residential	3,277,351	5,007,746
MDM/R	63,751	264,000
SM TOU Web	61,091	96,000
	3,402,192	5,367,746

- d) As provided in the response to Question 2 b) above, Horizon Utilities will install 75,140 Residential Smart Meters by the end of 2009, of which 28,800 Smart Meters were purchased and capitalized in 2008. The per meter capital cost for 2009 is therefore based on the capitalized cost of the balance of 46,340 Smart Meters

purchased in 2009 in order to be comparative to Horizon Utilities Tables referenced in the preamble. The Residential per meter capital cost is calculated using the projected capital expenditures from the response to Question 2 c) in the amount of \$5,007,746 above and the 46,340 Residential Smart Meters capitalized in 2009 plus the installation costs for the 28,800 meters capitalized in 2008.

The Residential Smart Meter capital costs, per smart meter is \$108. Table 6 of Horizon Utilities Application provided a capital costs per smart meter for the Residential and General Service < 50 kW class of \$107. Horizon Utilities submits that there is no variance explanation required.

**Question #3**

Reference: Managers' Summary Attachment A Revenue Requirement Calculations

Preamble: These Questions pertain to the Residential Class only (not GS<50kW)

- a) Confirm that the Calculations in Attachment A are for the Residential and GS<50 kW Class combined.
- b) Provide a model run for the meters and expenditures for the residential class only.
- c) Compare the result in terms of the summary page Revenue Requirement Rate Year Entitlement and Smart Meter (sic) Rider Billed to August 31/09 and the Revenue requirement to be recovered Sept/09 to April 30/11.
- d) Compute the residential class only Rate Rider and compare to the applied for \$1.56/metered residential customer/month.

**Response:**

- a) The Calculations in Attachment A are not only for the Residential and GS<50 kW Class combined, but also include the poly phase Smart Meters required to meet the Provincial requirements to Smart Meter all small general service customers. In addition, and as explained in Section 5 of the Application, Horizon Utilities will be installing poly phase Smart Meters on those General Service > 50 kW customers that currently do not have interval meters.
- b) Horizon Utilities has provided a model run for the meters and expenditures for the Residential class only as Attachment "B" to these responses. Horizon Utilities has included the Residential components only, as requested, in the Smart Meter Rate Rider calculations.
- c) Horizon Utilities is providing a comparison of the 2009 Smart Meter summary page as filed in the Application as well as the model results for the Residential class only as per b) above.

<b>Revenue Requirement:</b>				<b>As Filed per Application</b>	<b>Residential only</b>
2006 Rate Year Entitlement				100,750	100,750
2007 Rate Year Entitlement				1,341,857	1,301,340
2008 Rate Year Entitlement				2,307,973	2,259,695
2009 Rate Year Entitlement				4,622,342	4,216,583
2010 Rate Year Entitlement				5,224,878	4,236,728
				13,597,799	12,115,095
<b>Smart Rate Rider Billed:</b>					
2006 Rate Year Billed May 1/06 - April 30/07				(1,056,251)	(963,185)
2007 Rate Year Billed May 1/07 - April 30/08				(2,258,320)	(2,060,485)
2008 Rate Year Billed May 1/08 - April 30/09				(2,276,242)	(2,078,062)
2009 Rate Year Forecast May 1/09 - August 31/09				(761,268)	(695,176)
				(6,352,081)	(5,796,908)
<b>Revenue Requirement for Recovery Sept 1/09 to April 30/11</b>				<b>7,245,718</b>	<b>6,318,188</b>
<b>Number of Customers</b>				232,482	207,300
<b>Number of Months</b>				20	20
<b>Rate Rider</b>				1.56	1.52

- d) The table above provides the requested comparison between the Residential class only Rate Rider and the Rate Rider for all metered customers.

## **Attachment A**

# Horizon Utilities Corporation



## **Horizon Utilities Corporation Distribution Licence ED-2006-0031 Smart Meter Investment Plan EB-2006-0246**

**December 15, 2006**

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Horizon Utilities Corporation ("Horizon") is filing this information in response to the Ontario Energy Board's ("the Board") request for distributors to file their Smart Meter Investment Plans ("SMIP").

The Minister of Energy's smart meter program requires the installation of smart meters on all homes and businesses in Ontario by the year 2010. Horizon filed a five year smart meter plan as part of its 2006 Electricity Distribution Rate Application requesting approval of funding to proceed with its SMIP. The information provided was based on the Board's Smart Meter Investment Plan, Appendix C-2, Table 2, dated January 26, 2005. The Board did not approve this component of distributor's applications, but did approve "seed" money to encourage distributors to begin the installation of smart meters. Horizon's "seed" money amounted to \$0.39 per metered customer.

Horizon also has an approved Conservation and Demand Management Plan that included a smart meter pilot program to enable Horizon to install smart meters, gain experience in the various technologies and test consumer response. Horizon's smart meter pilot has resulted in 8,500 residential smart meters being installed and interrogated nightly. As part of this program Horizon is testing web presentment of customer data and "shadow" billing for selected participants. In effect, Horizon is testing its smart meter pilot from end to end, meaning from installation and reading the meter to web presentment and customer billing.

Horizon has relied on the results of its smart meter pilot to assist in meter vendor selection for the mass deployment as will be required under Horizon's SMIP.

Horizon has provided calculations to support an increase to the \$0.39 "seed" money, initially approved by the Board. Horizon is respectfully requesting the Board to approve an increase to the smart meter rate rider in the amount of \$1.11 per metered customer for a total smart meter rate rider of \$1.50 per metered customer. This is the required level of funding required by Horizon to implement its SMIP over the next four years. In the event that sufficient funding is not approved Horizon may be required to submit a rate application seeking the appropriate funding or alternatively, Horizon may have no option but to revise its SMIP according to the funding approved by the Board.

Horizon is providing the following information in response to the Board's questions as outlined in the Guidelines for the Filing of Smart Meter Investment Plans, issued October 26, 2006.

**Question 1: Distributor identification (name, name of contact person and contact information).**

**Response:**

Horizon Utilities Corporation

Distribution Licence No. ED-2006-0031

Contact Information:

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**Question 2: Did you submit a Smart Meter Investment Plan ("SMIP") as part of your 2006 EDR rate application? If yes, please provide the specific place(s) in your application that outlined your plan.**

**Response:**

Horizon Utilities Corporation ("Horizon") did file a smart meter investment plan ("SMIP") in its 2006 EDR Application RP-2005-0020 / EB-2005-0375 / 0376 and this was filed with the Board August 26, 2005.

The smart meter plan was filed in Chapter 3 of Horizon's 2006 EDR Application and a copy is provided in Table 1.

**Table 1**  
**Smart Meter Investment Plan Filed in 2006 EDR Application**

1.) Implementation Schedule	Total No. of Customers to be converted	# to be Converted under CDM Plan	Conversions incremental to CDM Plan	Conversion Schedule for Remainder				
				2006	2007	2008	2009	2010
Residential	206801	1000	205801	41160	41160	41160	41160	41160
G.S. < 50 kW	20056	0	20056	4011	4011	4011	4011	4011
G.S. 50 kW to 200 kW	1490	0	1050	745	1050	0	0	0
G.S. > 200 kW	590	0	500	590	0	0	0	0
Total	228937	1000	227407	46506	46221	45171	45171	45171

Note: Conversion schedule for 2006 to 2010 incorporates the distributor targets detailed in section 2.5.7 of the OEB's Smart Meter Implementation Plan (i.e. 100% of G.S. > 50 kW conversions and 40% of residential conversions by Dec. 31st 2007)

## 2.) Cost Assumptions

### Source

Per unit capital costs:

- Residential	\$250
- G.S. < 50 kW	\$250
- G.S. 50 kW to 200 kW	\$1,500
- G.S. > 200 kW	\$1,500

OEB Smart meter implementation plan, notes to Appendix C-2, table 2  
Assume same as residential - see note above

Annual per unit incremental OPEX:

- Residential	\$12.36
- G.S. < 50 kW	\$12.36
- G.S. 50 kW to 200 kW	\$12.36
- G.S. > 200 kW	\$12.36

Based on the monthly operating cost of \$1.42 per month less  
\$0.39 per month operating benefits, as stated in appendix C-2,  
table 2 of the OEB's Smart Meter Implementation Plan.

G.S. estimated monthly operating cost = \$20.00 per month

Depreciation Period for Smart Meter Capital (years):

15

OEB Smart meter implementation plan, notes to Appendix C-2, table 2

## 3.) Incremental 2006 Smart Meter Costs

<b>Capital expenditures:</b>	<b>\$13,295,350</b>
less depreciation @ 15years:	\$886,357
<b>Net increase in distribution assets:</b>	<b>\$12,408,993</b>

Incremental operating costs: \$574,818

Depreciation expense: \$443,178

(half year rule)

**Incremental operating expense: \$1,017,996**

**Question 3: If you have made any significant changes to your SMIP subsequent to your application please provide details of the changes (both here in general terms and as a component of the following questions).**

**Response:**

Horizon has modified its smart meter investment plans from the original filing in its 2006 EDR Application. The original investment plan filed provided for the installation, in 2006, of 41,160 Residential smart meters, 4,011 General Service < 50 kW and 1,335 General Service > 50 kW smart meters. Capital and operating costs were based on the Board's calculations of \$3.50 per meter.

During 2006 Horizon deferred its mass implementation of smart meters in order to focus on its smart meter pilot, which included the end-to-end testing of two meter suppliers. Based on the results of the pilot, Horizon was able to select a smart meter vendor and establish a mass deployment plan to take place in the years 2007 to 2010.

**Question 4: For the 2006 rate year, how much money has been included in the Board approved revenue requirement for the SMIP? How is this being recovered from your customers?**

**Response:**

Horizon's approved 2006 Distribution Rate Application provided for \$0.39 per customer per metered month for the recovery of 2006 CDM revenue requirement. This amount has been included in the Fixed Distribution Charge and collected either monthly or bi-monthly depending on the customers billing period. The revenue requirement approved for the 2006 rate year SMIP amounts to \$1,074,000 (May 1, 2006 to April 30, 2007).

**Question 5: What is your SMIP in the 2006 rate year? If you do not have a SMIP in the 2006 rate year, what are your intentions for future years?**

**Response:**

Horizon filed a 2006 SMIP in its 2006 EDR Application. Please refer to Table 1 in Horizon's response to Question 2. As indicated in question 3, this mass deployment plan was not implemented and Horizon has provided its SMIP for future years in response to Question 7

Horizon calculated the capital and incremental operating costs based on the information provided in Appendix C-2, Table 2 of the Board's Smart Meter Investment Plan dated January 26, 2005. The amounts calculated and filed in Horizon's 2006 EDR Application are provided in Horizon's response to Question 2.

**Question 6: Is your SMIP in the 2006 rate year a component of a multi-year plan? If so, please provide details of the total plan, broken down by year, as completely as possible.**

**Response:**

Horizon filed a multi-year plan and a copy is included in Horizon's response to Question 2. As indicated throughout this report, Horizon did not implement its SMIP for 2006 as filed in its 2006 EDR Application, but rather focused on its pilot project of testing the end-to-end operations of two vendors. Accordingly Horizon has amended its mass deployment of smart meters for the years 2007 to 2010 and this is provided in response to question 7.

**Question 7: Specifically, and in as much detail as possible, please provide the following information for your planned implementation of the SMIP:**

- **the number of meters installed by class and by year, both in absolute terms and as**
- **a percentage of the class;**
- **the capital expenditures and amortization by class and by year;**
- **the operating expenses by class and by year;**
- **the effect of the SMIP on the level of the allowance for PILs.**

**Response:**

Horizon will commence the mass deployment of smart meters beginning in the first quarter of 2007 according to the planned implementation explained in Table 2 in order to meet the Minister of Energy's goal of having 800,000 smart meters installed by the end of 2007 and the remainder by the end of 2010.

Horizon will focus on the Residential class of customers and will install smart meters of General Service customers as the existing meters come up for reverification.

**Table2**  
**Planned Implementation Detail**

	<b>2007 Implementation Plan</b>						
	Total Customers	Meters Installed	% of Class	Capital Expense	Amortizat	Operating Expense	PILs Impact
Residential	209,838	50,000	24%	7,378,000	346,000	1,218,000	
General Service*	20,380	1,826	9%	1,075,000	36,000	44,000	
Total	230,218	51,826	23%	8,453,000	382,000	1,262,000	73,000
	<b>2008 Implementation Plan</b>						
	Total Customers	Meters Installed	% of Class	Capital Expense	Amortizat	Operating Expense	PILs Impact
Residential	210,467	80,000	38%	9,489,000	880,000	1,037,000	
General Service*	20,441	1,860	9%	1,246,000	114,000	45,000	
Total	230,908	81,860	35%	10,735,000	994,000	1,082,000	253,000
	<b>2009 Implementation Plan</b>						
	Total Customers	Meters Installed	% of Class	Capital Expense	Amortizat	Operating Expense	PILs Impact
Residential	211,099	55,000	26%	6,600,000	1,418,000	991,000	
General Service*	20,502	2,011	10%	1,380,000	201,000	47,000	
Total	231,601	57,011	25%	7,980,000	1,619,000	1,038,000	408,000
	<b>2010 Implementation Plan</b>						
	Total Customers	Meters Installed	% of Class	Capital Expense	Amortizat	Operating Expense	PILs Impact
Residential	211,732	18,232	9%	2,188,000	1,711,000	482,000	
General Service	20,564	14,867	72%	10,209,000	587,000	347,000	
Total	232,296	33,099		12,397,000	2,298,000	829,000	566,000

\* Horizon will install General Service smart meters as the existing meters come due for reverification and therefore are unable to further define between <50 kW and >50 kW classes. In 2010 the remaining General Service meters will be converted to smart meters. In 2006 Horizon installed 8,500 for the pilot program.

**Question 8: If you previously submitted a plan and have made changes to it, please provide a similar set of responses to question 7 for both the original plan and the changes between plans.**

**Response:**

Horizon's 2006 smart meter plan as filed and provided in Horizon's response to Question 2 did not get implemented in order to complete the end-to-end pilot testing and vendor selection. The changes to Horizon's SMIP are provided in detail in question 7.

**Question 9: With respect to funding for the SMIP, please provide comments as to whether you consider that the existing funding recovered through the 2006 rates and/or the proposed adjustment for 2007 rates is sufficient, or indicate why that funding and timing is not sufficient for your SMIP needs and what action you consider necessary to ameliorate the situation. Please ensure that these comments are as detailed and specific as possible, both with respect to the level of the funding and the timing of such a revision.**

**Response:**

Horizon received \$0.39 per meter per month for recovery of the smart meter investment plan filed with the Board in its 2006 EDR Application. For the year 2006 this amounts to a recovery of approximately \$716,000 and approximately \$1,076,000, \$1,079,000, \$1,082,000 and 1,086,000 in each of the subsequent four years of smart meter implementation.

In accordance with the Board's direction the revenue, capital and operation costs are to be recorded in variance accounts for recovery at a date to be determined by the Board. Table 3 below provides information on Horizon's projected smart meter variance accounts based on the \$0.39 of recovery currently in rates.

**Table 3  
Projected Variance Account Balance**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Total</b>
Average # customer	229,529	229,873	230,563	231,255	231,948	
Approved Rate Rider	0.39	0.39	0.39	0.39	0.39	
<b>Allocated to Variance Accounts (000)</b>						
Smart Meter revenue \$	716	\$ 1,076	\$ 1,079	\$ 1,082	\$ 1,086	\$ 5,039
Capital Invested		\$ 8,453	\$ 10,735	\$ 7,980	\$ 12,397	\$ 39,565
OM&A		\$ 1,644	\$ 2,076	\$ 2,657	\$ 3,127	\$ 9,504
<b>Total variance</b>	<b>\$ (716)</b>	<b>\$ 9,021</b>	<b>\$ 11,732</b>	<b>\$ 9,555</b>	<b>\$ 14,438</b>	<b>\$ 44,030</b>
<b>Cost per customer per month for disposition in 2011</b>						<b>\$ 15.82</b>

The current level of funding provided in the 2006 EDR Application will not support the SMIP for the mass deployment required to meet the Minister of Energy's aggressive timelines for implementing smart meters in the province of Ontario. Horizon does not support the accumulation of a large variance account(s) for smart meters for disposition at a later date. As indicated in Table 3, the rate impact to the customer for disposition of Horizon's estimated smart meter variance account in a single year is significant. On the other hand, by disposing of a large smart meter variance account over several years will have significant financial impacts on Horizon.

Horizon has provided detailed calculations to support the rate riders required in each year of implementation of the SMIP. However, in order to minimize the annual adjustment of the rate rider and the rate impact to customers, Horizon would recommend an average rate rider for the four year period be implemented as part of the 2007 rate setting process.

It should be noted that Horizon's projected operating costs for its SMIP do not include the unknown costs that will be incurred in system changes, testing, and staff training in order to be able to certify readiness with the Provincial MDM/R. In addition, the on going costs to support the Provincial MDM/R are also unknown and are not included in Horizon's projections.

As provided in Table 4, Horizon requires an average rate rider of \$1.50 per metered customer in order to carry out Horizon's implementation its SMIP. In Horizon's 2006 EDR Application the Board approved an initial rate rider of \$0.39 per metered customer and Horizon is respectfully requested an additional \$1.11 be allowed as part of its 2007 rate application.

In subsequent years to 2010, the rate rider will require increasing to at least \$2.17 plus inflationary impacts.

Horizon does not believe its request for an addition \$1.11, to be added to the already approved \$0.39, is unreasonable given the importance of the Smart Meter Investment Plan to the Minister of Energy.

However, in the event that the Board does not provide sufficient generic funding required to implement the mass deployment required during the next four years of smart meter investment, Horizon may submit a rate application seeking the appropriate amount of funding for its own specific SMIP. Without such appropriate funding that ensures the MARE on SMIP, Horizon will be required to revise its SMIP around the level of funding approved by the Board, which may include extending its mass deployment plans beyond 2010.

**Table 4**  
**Impact of Smart Meter Plan**  
**(000s)**

	2006	2007	2008	2009	2010
<b>Income Statement</b>					
Distribution Revenue	\$ -	\$ 2,005	\$ 3,380	\$ 4,752	\$ 6,040
Operating expenses	-	1,262	1,082	1,038	829
Depreciation	-	382	994	1,619	2,298
Capital taxes	-	25	54	73	103
	-	1,669	2,130	2,730	3,230
Income (loss) from operations	-	336	1,250	2,022	2,810
Interest expense	-	139	536	869	1,210
Income before taxes	-	197	715	1,152	1,600
Income and large corporations taxes	-	73	253	408	566
Net income (loss)	\$ -	\$ 124	\$ 462	\$ 745	\$ 1,034
<b>Aggregate Variance Account Impact</b>					
Revenue recognition	\$ -	\$ 2,005	\$ 3,380	\$ 4,752	\$ 6,040
Collected in rates*	716	1,076	1,079	1,082	1,086
Difference	\$ (716)	\$ 929	\$ 2,301	\$ 3,670	\$ 4,954
Cumulative difference	\$ (716)	\$ 213	\$ 2,514	\$ 6,184	\$ 11,138
Customers		229,873	230,563	231,255	231,948
Rate per customer per year	\$	0.8722	\$ 1.2218	\$ 1.7122	\$ 2.1700
<b>Average rate to ramp up to year 4</b>				<b>\$ 1.50</b>	
<b>Investment in Smart Meters</b>					
Months of investment	-	10	12	12	12
Number of installations	-	51,826	81,860	57,011	33,099
Opening	\$ -	\$ -	\$ 8,071	\$ 17,812	\$ 24,173
Current	-	8,453	10,735	7,980	12,397
Amortization	-	(382)	(994)	(1,619)	(2,298)
Closing	-	8,071	17,812	24,173	34,272
Working capital allowance	-	189	162	156	124
Total Smart Meter Assets	\$ -	\$ 8,260	\$ 17,974	\$ 24,329	\$ 34,396
Required borrowings	\$ -	\$ 4,956	\$ 10,785	\$ 14,597	\$ 20,638
Required equity	-	3,304	7,190	9,731	13,759
Total	\$ -	\$ 8,260	\$ 17,974	\$ 24,329	\$ 34,396

**Question 10: Please provide any additional comments that you believe would be helpful to the Board in its understanding of your SMIP and what you consider to be the requirements for the efficient and effective implementation of this government sponsored initiative.**

**Response:**

Horizon is concerned with the uncertainty that surrounds the entire investment in smart meters and would recommend that the Board address the following:

1. LDC's require funding to cover the massive capital outlays that will be incurred over the next four years. During the Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation proceedings the Board had provided an incremental smart meter rate rider of \$1.00. The subsequent report from Board staff does not include the rate rider. This is to be dealt with through a separate mechanism which may result in LDC's filing rate applications to support their smart meter investment plans
2. The Board should clarify quickly the treatment of the smart meter spending and accumulation of the variance accounts such that LDC's may satisfy their auditors on the certainty of recovering these regulatory assets. In addition, the Board needs to ensure LDC's, that in fact, these variance accounts will be recovered.
3. The Board needs to address the recovery of stranded meter assets for LDCs, including the full recovery of MARE on these assets through their otherwise remaining useful lives. LDCs had undertaken such investments consistent with their Distribution System Code obligations and should expect to fully recover these investments including the MARE. In addition, clarification on this matter is required urgently as the carrying value of these assets for generally accepted accounting purposes is now uncertain which may trigger a material write-down of such for all LDCs commencing with the 2006 fiscal year. We suggest that the carrying value of these assets remain in rate base through their otherwise remaining service life.

## **In summary**

Horizon is committed to its obligations under the Distribution System Code including those new investment obligations created by the Ministry of Energy's smart meter initiative. Similar to its other investment obligations under the DSC, Horizon has designed its SMIP, and intends to implement such, to meet these new obligations. This intention must be predicated on an expectation that the OEB will adopt regulation allowing Horizon, and all LDCs, to fully recover these investments in a manner that is effectively the same as the recovery of its regulated rate base including the MARE. In practical terms, Horizon will not be able to meet these obligations without the financial means to do so.

Horizon submits this as an application for incremental funding in the amount of \$1.11, to be added to the currently approved rate rider of \$0.39 for a total rate rider of \$1.50, which is required in order for Horizon to implement its SMIP, through the "ramp-up" period to 2010, as presented in this submission. Thereafter, Horizon projects it will need an additional \$1.11 per meter per month, thereafter adjusted for inflation, to sustain the SMIP through its full lifecycle. Again, this level of funding may not be sufficient depending on unknown third party costs such as MDMR.

## **Attachment B**

Horizon Utilities Corporation  
2009 Smart Meter Rate Rider Application

**Revenue Requirement:**

2006 Rate Year Entitlement	100,750
2007 Rate Year Entitlement	1,301,340
2008 Rate Year Entitlement	2,256,381
2009 Rate Year Entitlement	4,216,583
2010 Rate Year Entitlement	4,236,728
	<u>12,111,781</u>

**Smart Rate Rider Billed:**

2006 Rate Year Billed May 1/06 - April 30/07	(963,185)
2007 Rate Year Billed May 1/07 - April 30/08	(2,060,485)
2008 Rate Year Billed May 1/08 - April 30/09	(2,078,062)
2009 Rate Year Forecast May 1/09 - August 31/09	(695,176)
	<u>(5,796,908)</u>

**Revenue Requirement for Recovery Sept 1/09 to April 30/11**

6,314,873

**Number of Customers**

207,300

**Number of Months**

20

**Rate Rider**

1.52

Horizon Utilities Corporation  
2009 Smart Meter Rate Rider Application  
Revenue Requirement Calculations

**Average Fixed Asset Values**

	<b>Actual 2006</b>	
OH & UG Services	\$	-
General Office	\$	-
Building Renovations	\$	-
Smart meters	\$	-
Computer Hardware	\$	-
Computer Software	\$	-
Stores & Tools	\$	-

**Working Capital**

Operation Expense	\$	99,285	
15% Working Capital	\$	14,893	\$ 14,893

**Smart Meters Fixed Assets in Rate Base**

**\$ 14,893**

**Return on Rate Base**

Deemed Debt - Long Term	56%	\$	8,340
Deemed Debt - Short Term	4%	\$	596
Deemed Equity	40%	\$	5,957
		<b>\$</b>	<b>14,893</b>

Weighted Debt Rate - Long Term	7.00%	\$	584
Short Term Debt Rate	7.00%	\$	42
Equity Rate	9.00%	\$	536

**Return on Rate Base** **\$ 1,162**

**Operating Expenses**

Incremental Operating Expenses \$ 99,285

**Amortization Expenses**

\$ -

Revenue Requirement before PILs **\$ 100,447**

**Calculation of Taxable Income**

Incremental Operating Expenses	\$	(99,285)
Depreciation Expense	\$	-
Interest Expense	\$	(625)

**Taxable Income for PILs**

**\$ 536**

**Grossed up PILs**

**303**

Revenue Requirement before PILs 100,447

Grossed up PILs 303

**2008 Revenue Requirement for Smart Meters 100,750**

**2008 Smart Meter Rate Adder**

Revenue Requirement for Smart Meters 100,750

March 2009 Total Metered Customers 207,300

Annualized amount required per metered customer 0.49

Number of months in year 12

**2008 Smart Meter Rate Adder 0.04**

**Smart Meter Deferral Account Balance - PILs Calculation**

**Income Tax**

Net Income	536
Amortization	-
CCA	-
Revised Taxable Income	<b>536</b>
Tax Rate	<b>36.12%</b>
Income Taxes Payable	<b>194</b>

**Ontario Capital Tax**

Smart Meter Related Fixed Assets	-
Less: Exemption	-
Deemed Taxable Capital	-
Ontario Capital Tax Rate	<b>0.300%</b>

**NET OCT Amount**

**-**

	<b>PILs Payable</b>	<b>Gross Up</b>	<b>Grossed Up PILs</b>
Change in Income Taxes Payable	194	36.12%	303
Change in OCT	-		-
PIL's	<b>194</b>		<b>303</b>

Horizon Utilities Corporation  
2009 Smart Meter Rate Rider Application  
Revenue Requirement Calculations

**Average Fixed Asset Values**

	<b>Actual 2007</b>	
OH & UG Services	\$	-
General Office	\$	-
Building Renovations	\$	-
Smart meters	\$	3,514,920
Computer Hardware	\$	50,106
Computer Software	\$	12,401
Stores & Tools	\$	412
	\$	3,577,838

**Working Capital**

Operation Expense	\$	781,678	
15% Working Capital	\$	117,252	\$ 117,252

**Smart Meters Fixed Assets in Rate Base**

**\$ 3,695,090**

**Return on Rate Base**

Deemed Debt - Long Term	56%	\$	2,069,251
Deemed Debt - Short Term	4%	\$	147,804
Deemed Equity	40%	\$	1,478,036
		<b>\$</b>	<b>3,695,090</b>

Weighted Debt Rate - Long Term	7.00%	\$	144,848
Short Term Debt Rate	7.00%	\$	10,346
Equity Rate	9.00%	\$	133,023

**Return on Rate Base**

**\$ 288,217** \$ 288,217

**Operating Expenses**

Incremental Operating Expenses	\$	781,678
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**Amortization Expenses**

\$ 217,074

Revenue Requirement before PILs	\$	1,286,969
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**Calculation of Taxable Income**

Incremental Operating Expenses	\$	(781,678)
Depreciation Expense	\$	(217,074)
Interest Expense	\$	(155,194)
	<b>\$</b>	<b>133,023</b>

**Taxable Income for PILs**

**\$ 133,023**

**Grossed up PILs**

**14,371**

Revenue Requirement before PILs	1,286,969
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Grossed up PILs	14,371
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<b>2008 Revenue Requirement for Smart Meters</b>	<b>1,301,340</b>
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**2008 Smart Meter Rate Adder**

Revenue Requirement for Smart Meters	1,301,340
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March 2009 Total Metered Customers	207,300
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Annualized amount required per metered customer	6.28
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Number of months in year	12
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2008 Smart Meter Rate Adder	0.52
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**Smart Meter Deferral Account Balance - PILs Calculation**

**Income Tax**

Net Income	133,023
Amortization	217,074
CCA	- 336,704
Revised Taxable Income	13,393
Tax Rate	36.12%
Income Taxes Payable	4,837

**Ontario Capital Tax**

Smart Meter Related Fixed Assets	7,155,677
Less: Exemption	-
Deemed Taxable Capital	7,155,677
Ontario Capital Tax Rate	0.285%

<b>NET OCT Amount</b>	<b>6,798</b>
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	<b>PILs Payable</b>	<b>Gross Up</b>	<b>Grossed Up PILs</b>
Change in Income Taxes Payable	4,837	36.12%	7,573
Change in OCT	6,798		6,798
PIL's	11,635		14,371

Horizon Utilities Corporation  
2009 Smart Meter Rate Rider Application  
Revenue Requirement Calculations

**Average Fixed Asset Values**

	Actual 2008	
OH & UG Services	\$	-
General Office	\$	-
Building Renovations	\$	-
Smart meters	\$	11,705,355
Computer Hardware	\$	115,884
Computer Software	\$	37,548
Stores & Tools	\$	4,335
	\$	11,863,123

**Working Capital**

Operation Expense	\$	662,265	
15% Working Capital	\$	99,340	\$ 99,340

**Smart Meters Fixed Assets in Rate Base**

\$ 11,962,463

**Return on Rate Base**

Deemed Debt - Long Term	56%	\$	6,698,979
Deemed Debt - Short Term	4%	\$	478,499
Deemed Equity	40%	\$	4,784,985
		\$	<u>11,962,463</u>

Weighted Debt Rate - Long Term	6.10%	\$	408,638
Short Term Debt Rate	4.47%	\$	21,389
Equity Rate	8.57%	\$	410,073
		\$	<u>840,100</u>

**Return on Rate Base**

\$ 840,100 \$ 840,100

**Operating Expenses**

Incremental Operating Expenses	\$	662,265
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**Amortization Expenses**

\$ 710,861

Revenue Requirement before PILs

\$ 2,213,225

**Calculation of Taxable Income**

Incremental Operating Expenses	\$	(662,265)
Depreciation Expense	\$	(710,861)
Interest Expense	\$	(430,027)

**Taxable Income for PILs**

\$ 410,073

**Grossed up PILs**

43,156

Revenue Requirement before PILs

2,213,225

Grossed up PILs

43,156

**2008 Revenue Requirement for Smart Meters**

2,256,381

**2008 Smart Meter Rate Adder**

Revenue Requirement for Smart Meters	2,256,381
March 2009 Total Metered Customers	<u>207,300</u>
Annualized amount required per metered customer	<u>10.88</u>
Number of months in year	<u>12</u>
2008 Smart Meter Rate Adder	<u>0.91</u>

**Smart Meter Deferral Account Balance - PILs Calculation**

**Income Tax**

Net Income	410,073
Amortization	710,861
CCA	- 1,059,937
Revised Taxable Income	<u>60,997</u>
Tax Rate	<u>33.50%</u>
Income Taxes Payable	<u>20,434</u>

**Ontario Capital Tax**

Smart Meter Related Fixed Assets	16,570,570
Less: Exemption	-
Deemed Taxable Capital	<u>16,570,570</u>
Ontario Capital Tax Rate	<u>0.225%</u>
<b>NET OCT Amount</b>	<u>12,428</u>

	PILs Payable	Gross Up	Grossed Up PILs
Change in Income Taxes Payable	20,434	33.50%	30,728
Change in OCT	12,428		12,428
PIL's	<u>32,862</u>		<u>43,156</u>

Horizon Utilities Corporation  
2009 Smart Meter Rate Rider Application  
Revenue Requirement Calculations

**Average Fixed Asset Values**

	<b>Forecast 2009</b>	
OH & UG Services	\$	-
General Office	\$	11,400
Building Renovations	\$	4,720
Smart meters	\$	18,077,998
Computer Hardware	\$	237,506
Computer Software	\$	186,330
Stores & Tools	\$	7,422
	\$	18,525,376

**Working Capital**

Operation Expense	\$	1,279,683	
15% Working Capital	\$	191,952	\$ 191,952

**Smart Meters Fixed Assets in Rate Base**

**\$ 18,717,328**

**Return on Rate Base**

Deemed Debt - Long Term	56%	\$	10,481,704
Deemed Debt - Short Term	4%	\$	748,693
Deemed Equity	40%	\$	7,486,931
		<b>\$</b>	<b>18,717,328</b>

Weighted Debt Rate - Long Term	6.10%	\$	639,384
Short Term Debt Rate	4.47%	\$	33,467
Equity Rate	8.57%	\$	641,630
		<b>\$</b>	<b>1,314,481</b>

**Return on Rate Base**

**\$ 1,314,481**

**Operating Expenses**

Incremental Operating Expenses	\$	1,279,683
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**Amortization Expenses**

**\$ 1,458,134**

Revenue Requirement before PILs	\$	4,052,298
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**Calculation of Taxable Income**

Incremental Operating Expenses	\$	(1,279,683)
Depreciation Expense	\$	(1,458,134)
Interest Expense	\$	(672,851)

**Taxable Income for PILs**

**\$ 641,630**

**Grossed up PILs**

**164,285**

Revenue Requirement before PILs	4,052,298
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Grossed up PILs	164,285
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**2008 Revenue Requirement for Smart Meters** **4,216,583**

**2008 Smart Meter Rate Adder**

Revenue Requirement for Smart Meters	4,216,583
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March 2009 Total Metered Customers	207,300
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Annualized amount required per metered customer	20.34
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Number of months in year	12
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2008 Smart Meter Rate Adder	1.70
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**Smart Meter Deferral Account Balance - PILs Calculation**

**Income Tax**

Net Income	641,630
Amortization	1,458,134
CCA	- 1,797,402
Revised Taxable Income	302,362
Tax Rate	33.00%
Income Taxes Payable	99,780

**Ontario Capital Tax**

Smart Meter Related Fixed Assets	20,480,182
Less: Exemption	-
Deemed Taxable Capital	20,480,182
Ontario Capital Tax Rate	0.225%
<b>NET OCT Amount</b>	<b>15,360</b>

	<b>PILs Payable</b>	<b>Gross Up</b>	<b>Grossed Up PILs</b>
Change in Income Taxes Payable	99,780	33.00%	148,925
Change in OCT	15,360		15,360
PIL's	115,140		164,285

Horizon Utilities Corporation  
2009 Smart Meter Rate Rider Application  
Revenue Requirement Calculations

**Average Fixed Asset Values**

	<b>Forecast 2010</b>	
OH & UG Services	\$	-
General Office	\$	21,600
Building Renovations	\$	9,280
Smart meters	\$	19,044,133
Computer Hardware	\$	298,396
Computer Software	\$	248,399
Stores & Tools	\$	6,571
	\$	19,628,380

**Working Capital**

Operation Expense	\$	888,000	
15% Working Capital	\$	133,200	\$ 133,200

**Smart Meters Fixed Assets in Rate Base**

\$ 19,761,580

**Return on Rate Base**

Deemed Debt - Long Term	56%	\$	11,066,485
Deemed Debt - Short Term	4%	\$	790,463
Deemed Equity	40%	\$	7,904,632
		\$	19,761,580

Weighted Debt Rate - Long Term	6.10%	\$	675,056
Short Term Debt Rate	4.47%	\$	35,334
Equity Rate	8.57%	\$	677,427

**Return on Rate Base**

\$ 1,387,816 \$ 1,387,816

**Operating Expenses**

Incremental Operating Expenses	\$	888,000
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**Amortization Expenses**

\$ 1,703,603

Revenue Requirement before PILs	\$	3,979,420
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**Calculation of Taxable Income**

Incremental Operating Expenses	\$	(888,000)
Depreciation Expense	\$	(1,703,603)
Interest Expense	\$	(710,389)

**Taxable Income for PILs**

\$ 677,427

**Grossed up PILs**

257,308

Revenue Requirement before PILs	3,979,420
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Grossed up PILs	257,308
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<b>2008 Revenue Requirement for Smart Meters</b>	<u>4,236,728</u>
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**2008 Smart Meter Rate Adder**

Revenue Requirement for Smart Meters	4,236,728
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March 2009 Total Metered Customers	207,300
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Annualized amount required per metered customer	20.44
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Number of months in year	12
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2008 Smart Meter Rate Adder	<u>1.70</u>
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**Smart Meter Deferral Account Balance - PILs Calculation**

**Income Tax**

Net Income	677,427
Amortization	1,703,603
CCA	- 1,854,200
Revised Taxable Income	<u>526,830</u>
Tax Rate	<u>32.00%</u>
Income Taxes Payable	<u>168,586</u>

**Ontario Capital Tax**

Smart Meter Related Fixed Assets	18,776,578
Less: Exemption	-
Deemed Taxable Capital	<u>18,776,578</u>
Ontario Capital Tax Rate	<u>0.150%</u>

<b>NET OCT Amount</b>	<u>9,388</u>
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	<b>PILs Payable</b>	<b>Gross Up</b>	<b>Grossed Up PILs</b>
Change in Income Taxes Payable	168,586	32.00%	247,920
Change in OCT	9,388		9,388
PIL's	<u>177,974</u>		<u>257,308</u>

## Smart Meter Fixed Asset Continuity

### For Accounting

	Amortization Period	Opening NBV Balance	Actual 2007 Additions	Actual Amortization For 2007	2007 Net Book Value	2007 Average NBV
OH & UG Services		-	-	-	-	-
Smart meters-1860		-	7,227,669.42	197,829.25	7,029,840.17	3,514,920.08
Computers-1921		-	109,312.95	9,101.30	100,211.65	50,105.83
Computers-1925		-	34,899.48	10,098.23	24,801.25	12,400.62
Tools, Shops - 1940		-	869.10	45.27	823.83	411.91
		-	7,372,750.94	217,074.05	7,155,676.89	3,577,838.45

		Opening NBV Balance	Actual 2008 Additions	Actual Amortization For 2008	2008 Net Book Value	2008 Average NBV
OH & UG Services		-	-	-	-	-
Smart meters-1860		7,029,840.17	10,002,508.64	651,478.12	16,380,870.68	11,705,355.43
Computers-1921		100,211.65	66,716.25	35,370.65	131,557.25	115,884.45
Computers-1925		24,801.25	48,892.66	23,398.73	50,295.17	37,548.21
Tools, Shops - 1940		823.83	7,636.17	613.06	7,846.93	4,335.38
		7,155,676.89	10,125,753.71	710,860.56	16,570,570.04	11,863,123.47

		Opening NBV Balance	Forecast 2009 Additions	Forecast Amortization For 2009	2009 Net Book Value	2009 Average NBV
OH & UG Services	25	-	-	-	-	-
General Office	10		24,000.00	1,200.00	22,800.00	11,400.00
Building Renovations	30		9,600.00	160.00	9,440.00	4,720.00
Smart meters-1860	15	16,380,870.68	4,699,586.00	1,305,331.40	19,775,125.28	18,077,997.98
Computers-1921	5	131,557.25	274,560.00	62,661.84	343,455.41	237,506.33
Computers-1925	3	50,295.17	360,000.00	87,930.71	322,364.46	186,329.82
Tools, Shops - 1940	10	7,846.93	-	850.53	6,996.41	7,421.67
		16,570,570.04	5,367,746.00	1,458,134.48	20,480,181.56	18,525,375.80

		Opening NBV Balance	Forecast 2010 Additions	Forecast Amortization For 2010	2010 Net Book Value	2010 Average NBV
OH & UG Services	25	-	-	-	-	-
General Office	10	22,800.00	-	2,400.00	20,400.00	21,600.00
Building Renovations	30	9,440.00	-	320.00	9,120.00	9,280.00
Smart meters-1860	15	19,775,125.28	-	1,461,984.27	18,313,141.01	19,044,133.15
Computers-1921	5	343,455.41	-	90,117.84	253,337.57	298,396.49
Computers-1925	3	322,364.46	-	147,930.71	174,433.75	248,399.11
Tools, Shops - 1940	10	6,996.41	-	850.53	6,145.88	6,571.14
		20,480,181.56	-	1,703,603.35	18,776,578.21	19,628,379.89

## Smart Meter Fixed Asset Continuity

### For Tax Purposes

	CCA Class	CCA Rate	Opening UCC Balance	2007 Actual Additions	CCA For Opening UCC	CCA For 2007 Additions	Total CCA - 2007	Closing UCC Balance
OH & UG Services	Class 47	8%	0	-	-	-	-	-
Smart meters-1860	Class 47	8%	0	7,227,669.42	-	289,106.78	289,106.78	6,938,562.64
Computers-1921	Class 45.1	55%	0	109,312.95	-	30,061.06	30,061.06	79,251.89
Computers-1925	Class 12	100%	0	34,899.48	-	17,449.74	17,449.74	17,449.74
Tools, Shops - 1940	Class 8	20%	0	869.10	-	86.91	86.91	782.19
			0	7,372,750.94	-	336,704.49	336,704.49	7,036,046.46

	CCA Class	CCA Rate	Opening UCC Balance	2008 Actual Additions	CCA For Opening UCC	CCA For 2008 Additions	Total CCA - 2008	Closing UCC Balance
OH & UG Services	Class 47	8%	-	-	-	-	-	-
Smart meters-1860	Class 47	8%	6,938,562.64	10,002,508.64	555,085.01	400,100.35	955,185.36	15,985,885.92
Computers-1921	Class 45.1	55%	79,251.89	66,716.25	43,588.54	18,346.97	61,935.51	84,032.63
Computers-1925	Class 12	100%	17,449.74	48,892.66	17,449.74	24,446.33	41,896.07	24,446.33
Tools, Shops - 1940	Class 8	20%	782.19	7,636.17	156.44	763.62	920.05	7,498.30
			7,036,046.46	10,125,753.71	616,279.73	443,657.26	1,059,936.98	16,101,863.18

	CCA Class	CCA Rate	Opening UCC Balance	2009 Forecast Additions	CCA For Opening UCC	CCA For 2009 Additions	Total CCA - 2009	Closing UCC Balance
OH & UG Services	Class 47	8%	-	-	-	-	-	-
General Office	Class 8	20%	-	24,000.00	-	2,400.00	2,400.00	21,600.00
Building Renovations	Class 6	10%	-	9,600.00	-	480.00	480.00	9,120.00
Smart meters-1860	Class 47	8%	15,985,885.92	4,699,586.00	1,278,870.87	187,983.44	1,466,854.31	19,218,617.61
Computers-1921	Class 45.1	55%	84,032.63	274,560.00	46,217.95	75,504.00	121,721.95	236,870.68
Computers-1925	Class 12	100%	24,446.33	360,000.00	24,446.33	180,000.00	204,446.33	180,000.00
Tools, Shops - 1940	Class 8	20%	7,498.30	-	1,499.66	-	1,499.66	5,998.64
			16,101,863.18	5,367,746.00	1,351,034.81	446,367.44	1,797,402.25	19,672,206.93

	CCA Class	CCA Rate	Opening UCC Balance	2010 Forecast Additions	CCA For Opening UCC	CCA For 2010 Additions	Total CCA - 2010	Closing UCC Balance
OH & UG Services	Class 47	8%	-	-	-	-	-	-
General Office	Class 8	20%	21,600.00	-	4,320.00	-	4,320.00	17,280.00
Building Renovations	Class 6	10%	9,120.00	-	912.00	-	912.00	8,208.00
Smart meters-1860	Class 47	8%	19,218,617.61	-	1,537,489.41	-	1,537,489.41	17,681,128.20
Computers-1921	Class 45.1	55%	236,870.68	-	130,278.88	-	130,278.88	106,591.81
Computers-1925	Class 12	100%	180,000.00	-	180,000.00	-	180,000.00	-
Tools, Shops - 1940	Class 8	20%	5,998.64	-	1,199.73	-	1,199.73	4,798.91
			19,672,206.93	-	1,854,200.01	-	1,854,200.01	17,818,006.92