



Ontario Energy Board

Smart Meter Model

 Hydro Ottawa Limited
 Innisfil Hydro Distribution Systems Ltd.

Choose Your Utility:

Application Contact Information

Name: Brenda Pinke

Title: Regulatory Manager

Phone Number: 705-431-6870 ext 262

Email Address: brendap@innisfilhydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2009

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results. The use of any models and spreadsheets does not automatically imply Board approval. The onus is on the distributor to prepare, document and support its application. Board-issued Excel models and spreadsheets are offered to assist parties in providing the necessary information so as to facilitate an expeditious review of an application. The onus remains on the applicant to ensure the accuracy of the data and the results.

Total Advanced Metering Communications Devices (AMCD)		\$ -	\$ -	\$ -	\$ 1,295,313	\$ 260,628	\$ 69,407	\$ -	\$ 1,625,348
Asset Type									
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)									
1.2.1 Collectors	Smart Meter	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
					274,110	200			\$ 274,310
1.2.2 Repeaters (may include radio licence, etc.)									\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)									\$ -
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)		\$ -	\$ -	\$ -	\$ 274,110	\$ 200	\$ -	\$ -	\$ 274,310

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

1.3.1 Computer Hardware

1.3.2 Computer Software

1.3.3 Computer Software Licences & Installation (includes hardware and software)
(may include AS/400 disk space, backup and recovery computer, UPS, etc.)

Total Advanced Metering Control Computer (AMCC)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast		
								\$	-
								\$	-
								\$	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast		
								\$	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

1.5.1 Customer Equipment (including repair of damaged equipment)

1.5.2 AMI Interface to CIS

1.5.3 Professional Fees

1.5.4 Integration

1.5.5 Program Management

1.5.6 Other AMI Capital

Total Other AMI Capital Costs Related to Minimum Functionality

Total Capital Costs Related to Minimum Functionality

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast		
								\$	-
Computer Software				32,533				\$	32,533
Smart Meter		16,301	15,967	44,545	24,934	2,999		\$	104,746
Smart Meter				87,664	25,572			\$	113,236
								\$	-
Smart Meter				2,479	-1,382			\$	1,097
	\$ -	\$ 16,301	\$ 15,967	\$ 167,221	\$ 49,124	\$ 2,999	\$ -	\$	251,612
	\$ -	\$ 16,301	\$ 15,967	\$ 1,736,644	\$ 309,952	\$ 72,406	\$ -	\$	2,151,270

1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY

(Please provide a descriptive title and identify nature of beyond minimum functionality costs)

1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06

1.6.2 Costs for deployment of smart meters to customers other than residential and small general service

1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

Total Capital Costs Beyond Minimum Functionality

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast		
Computer Software								\$	-
Computer Software								\$	-
Smart Meter						43,544		\$	43,544
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,544	\$ -	\$	43,544

Total Smart Meter Capital Costs

\$	-	\$	16,301	\$	15,967	\$	1,736,644
\$	309,952	\$	115,950	\$	-	\$	2,194,814

2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06

2.6.2 Costs for deployment of smart meters to customers other than residential and small general service

2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

Total OM&A Costs Beyond Minimum Functionality

Total Smart Meter OM&A Costs

							\$	-
							\$	-
					101,192	78,800	\$	179,992
	\$ -	\$ -	\$ -	\$ -	\$ 101,192	\$ 78,800	\$	179,992
	\$ -	\$ -	\$ -	\$ 39,924	\$ 103,440	\$ 241,561	\$	463,725

3 Aggregate Smart Meter Costs by Category

3.1	Capital																		
3.1.1	Smart Meter	\$	-	\$	16,301	\$	15,967	\$	1,704,111	\$	309,952	\$	115,950	\$	-	\$	2,162,281		
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	32,533	\$	-	\$	-	\$	-	\$	32,533		
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
3.1.7	Total Capital Costs	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>16,301</u>	<u>\$</u>	<u>15,967</u>	<u>\$</u>	<u>1,736,644</u>	<u>\$</u>	<u>309,952</u>	<u>\$</u>	<u>115,950</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>2,194,814</u>		
3.2	OM&A Costs																		
3.2.1	Total OM&A Costs	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>39,924</u>	<u>\$</u>	<u>103,440</u>	<u>\$</u>	<u>241,561</u>	<u>\$</u>	<u>78,800</u>	<u>\$</u>	<u>463,725</u>		



Innisfil Hydro Distribution Systems Limited

	2006	2007
Cost of Capital		
Capital Structure¹		
Deemed Short-term Debt Capitalization		
Deemed Long-term Debt Capitalization	50.0%	50.0%
Deemed Equity Capitalization	50.0%	50.0%
Preferred Shares		
Total	100.0%	100.0%
Cost of Capital Parameters		
Deemed Short-term Debt Rate		
Long-term Debt Rate (actual/embedded/deemed) ²	9.19%	9.19%
Target Return on Equity (ROE)	9.0%	9.00%
Return on Preferred Shares		
WACC	9.10%	9.10%
Working Capital Allowance		
Working Capital Allowance Rate	15.0%	15.0%
<i>(% of the sum of Cost of Power + controllable expenses)</i>		
Taxes/PILs		
Aggregate Corporate Income Tax Rate	36.12%	36.12%
Capital Tax (until July 1st, 2010)	0.30%	0.225%
Depreciation Rates		
<i>(expressed as expected useful life in years)</i>		
Smart Meters - years	15	15
- rate (%)	6.67%	6.67%
Computer Hardware - years	5	5
- rate (%)	20.00%	20.00%
Computer Software - years	3	3
- rate (%)	33.33%	33.33%

Tools & Equipment - years	10	10
- rate (%)	10.00%	10.00%
Other Equipment - years	20	20
- rate (%)	5.00%	5.00%

CCA Rates

Smart Meters - CCA Class	47	47
Smart Meters - CCA Rate	8%	8%
Computer Equipment - CCA Class	8	8
Computer Equipment - CCA Rate	20%	20%
General Equipment - CCA Class		
General Equipment - CCA Rate		
Applications Software - CCA Class		
Applications Software - CCA Rate		

Assumptions

- ¹ Planned smart meter installations occur evenly throughout the year.
- ² Fiscal calendar year (January 1 to December 31) used.
- ³ Amortization is done on a straight line basis and has the "half-year" rule applied.



Ontario Energy Board

Smart Meter Model



2008	2009	2010	2011	2012 and later
<div><div>4.0%</div><div>49.3%</div><div>46.7%</div><div></div></div> <div>100.0%</div>	<div><div>4.0%</div><div>52.7%</div><div>43.3%</div><div></div></div> <div>100.0%</div>	<div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div></div></div> <div>100.0%</div>	<div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div></div></div> <div>100.0%</div>	<div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div></div></div> <div>100.0%</div>
<div><div>9.19%</div><div>9.19%</div><div>9.00%</div><div></div></div> <div>9.10%</div>	<div><div>1.33%</div><div>7.28%</div><div>8.01%</div><div></div></div> <div>7.36%</div>	<div><div>1.33%</div><div>7.28%</div><div>8.01%</div><div></div></div> <div>7.33%</div>	<div><div>1.33%</div><div>7.28%</div><div>8.01%</div><div></div></div> <div>7.33%</div>	<div><div>1.33%</div><div>7.28%</div><div>8.01%</div><div></div></div> <div>7.33%</div>
<div><div>15.0%</div><div></div><div></div><div></div></div> <div></div>	<div><div>15.0%</div><div></div><div></div><div></div></div> <div></div>	<div><div>15.0%</div><div></div><div></div><div></div></div> <div></div>	<div><div>15.0%</div><div></div><div></div><div></div></div> <div></div>	<div><div>15.0%</div><div></div><div></div><div></div></div> <div></div>
<div><div>33.50%</div><div>0.225%</div><div></div><div></div></div> <div></div>	<div><div>30.87%</div><div>0.225%</div><div></div><div></div></div> <div></div>	<div><div>28.05%</div><div>0.075%</div><div></div><div></div></div> <div></div>	<div><div>24.62%</div><div>0.00%</div><div></div><div></div></div> <div></div>	<div><div>22.87%</div><div>0.00%</div><div></div><div></div></div> <div></div>
<div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div>	<div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div>	<div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div>	<div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div>	<div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div>

10	10	10	10	10
10.00%	10.00%	10.00%	10.00%	10.00%
20	20	20	20	20
5.00%	5.00%	5.00%	5.00%	5.00%

47	47	47	47	47
8%	8%	8%	8%	8%

8	8	8	8	8
20%	20%	20%	20%	20%

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ 16,301	\$ 32,268	\$ 1,736,379	\$ 2,046,331	\$ 2,162,281
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ 16,301	\$ 15,967	\$ 1,704,111	\$ 309,952	\$ 115,950	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ 16,301	\$ 32,268	\$ 1,736,379	\$ 2,046,331	\$ 2,162,281	\$ 2,162,281
Accumulated Depreciation							
Opening Balance		\$ -	\$ 543	\$ 2,162	\$ 61,117	\$ 187,208	\$ 327,495
Amortization expense during year	\$ -	\$ 543	\$ 1,619	\$ 58,955	\$ 126,090	\$ 140,287	\$ 144,152
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ 543	\$ 2,162	\$ 61,117	\$ 187,208	\$ 327,495	\$ 471,647
Net Book Value							
Opening Balance	\$ -	\$ -	\$ 15,758	\$ 30,106	\$ 1,675,262	\$ 1,859,123	\$ 1,834,786
Closing Balance	\$ -	\$ 15,758	\$ 30,106	\$ 1,675,262	\$ 1,859,123	\$ 1,834,786	\$ 1,690,634
Average Net Book Value	\$ -	\$ 7,879	\$ 22,932	\$ 852,684	\$ 1,767,193	\$ 1,846,955	\$ 1,762,710
Net Fixed Assets - Computer Hardware							



Ontario Energy Board

Smart Meter Model

Innisfil Hydro Distribution Systems Limited

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ 7,879	\$ 22,932	\$ 852,684	\$ 1,767,193	\$ 1,846,955	\$ 1,762,710
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ 13,555	\$ 21,689	\$ 10,844	\$ 2,711
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Fixed Assets	\$ -	\$ 7,879	\$ 22,932	\$ 866,239	\$ 1,788,881	\$ 1,857,799	\$ 1,765,421
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ 39,924	\$ 103,440	\$ 241,561	\$ 78,800
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ 5,989	\$ 15,516	\$ 36,234	\$ 11,820
Incremental Smart Meter Rate Base	\$ -	\$ 7,879	\$ 22,932	\$ 872,228	\$ 1,804,397	\$ 1,894,033	\$ 1,777,241
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ 917	\$ 34,889	\$ 72,176	\$ 75,761	\$ 71,090
Deemed Long Term Debt	\$ -	\$ 3,939	\$ 11,305	\$ 459,664	\$ 1,010,462	\$ 1,060,659	\$ 995,255
Equity	\$ -	\$ 3,939	\$ 10,709	\$ 377,675	\$ 721,759	\$ 757,613	\$ 710,897
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ 7,879	\$ 22,932	\$ 872,228	\$ 1,804,397	\$ 1,894,033	\$ 1,777,241
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ 84	\$ 464	\$ 960	\$ 1,008	\$ 945
Deemed Long Term Debt	\$ -	\$ 362	\$ 1,039	\$ 33,464	\$ 73,562	\$ 77,216	\$ 72,455
Equity	\$ -	\$ 355	\$ 964	\$ 30,252	\$ 57,813	\$ 60,685	\$ 56,943
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ 717	\$ 2,087	\$ 64,179	\$ 132,334	\$ 138,908	\$ 130,343

Operating Expenses	\$	-	\$	-	\$	-	\$	39,924	\$	103,440	\$	241,561	\$	78,800
Amortization Expenses (from Sheet 4)														
Smart Meters	\$	-	\$	543	\$	1,619	\$	58,955	\$	126,090	\$	140,287	\$	144,152
Computer Hardware	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Computer Software	\$	-	\$	-	\$	-	\$	5,422	\$	10,844	\$	10,844	\$	5,422
Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Amortization Expense in Year	\$	-	\$	543	\$	1,619	\$	64,377	\$	136,935	\$	151,131	\$	149,574
Incremental Revenue Requirement before Taxes/PILs	\$	-	\$	1,260	\$	3,706	\$	168,480	\$	372,709	\$	531,601	\$	358,717
Calculation of Taxable Income														
Incremental Operating Expenses	\$	-	\$	-	\$	-	\$	39,924	\$	103,440	\$	241,561	\$	78,800
Amortization Expense	\$	-	\$	543	\$	1,619	\$	64,377	\$	136,935	\$	151,131	\$	149,574
Interest Expense	\$	-	\$	362	\$	1,123	\$	33,928	\$	74,522	\$	78,224	\$	73,400
Net Income for Taxes/PILs	\$	-	\$	355	\$	964	\$	30,252	\$	57,813	\$	60,685	\$	56,943
Grossed-up Taxes/PILs (from Sheet 7)	\$	-	\$	174.48	\$	416.43	\$	13,133.33	\$	18,337.91	\$	18,378.69	\$	17,594.86
Revenue Requirement, including Grossed-up Taxes/PILs	\$	-	\$	1,434	\$	4,122	\$	181,614	\$	391,047	\$	549,979	\$	376,312



Ontario Energy Board

Smart Meter Model

Innisfil Hydro Distribution Systems Limited

For PILs Calculation

UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ 15,648.96	\$ 29,725.36	\$ 1,663,293.89	\$ 1,827,784.30	\$ 1,792,873.56
Capital Additions	\$ -	\$ 16,301.00	\$ 15,967.00	\$ 1,704,111.00	\$ 309,952.00	\$ 115,950.00	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ 16,301.00	\$ 31,615.96	\$ 1,733,836.36	\$ 1,973,245.89	\$ 1,943,734.30	\$ 1,792,873.56
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ 8,150.50	\$ 7,983.50	\$ 852,055.50	\$ 154,976.00	\$ 57,975.00	\$ -
Reduced UCC	\$ -	\$ 8,150.50	\$ 23,632.46	\$ 881,780.86	\$ 1,818,269.89	\$ 1,885,759.30	\$ 1,792,873.56
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ 652.04	\$ 1,890.60	\$ 70,542.47	\$ 145,461.59	\$ 150,860.74	\$ 143,429.88
Closing UCC	\$ -	\$ 15,648.96	\$ 29,725.36	\$ 1,663,293.89	\$ 1,827,784.30	\$ 1,792,873.56	\$ 1,649,443.67

UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 29,279.70	\$ 23,423.76	\$ 18,739.01
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ 32,533.00	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 32,533.00	\$ 29,279.70	\$ 23,423.76	\$ 18,739.01
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 16,266.50	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 16,266.50	\$ 29,279.70	\$ 23,423.76	\$ 18,739.01
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 3,253.30	\$ 5,855.94	\$ 4,684.75	\$ 3,747.80
Closing UCC	\$ -	\$ -	\$ -	\$ 29,279.70	\$ 23,423.76	\$ 18,739.01	\$ 14,991.21

UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA Rate Class	0	0	0	0	0	0	0
CCA Rate	0%	0%	0%	0%	0%	0%	0%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
INCOME TAX							
Net Income	\$ -	\$ 354.55	\$ 963.82	\$ 30,251.74	\$ 57,812.89	\$ 60,684.83	\$ 56,942.81
Amortization	\$ -	\$ 543.37	\$ 1,618.97	\$ 64,377.07	\$ 136,934.67	\$ 151,131.40	\$ 149,574.23
CCA - Smart Meters	\$ -	\$ 652.04	\$ 1,890.60	\$ 70,542.47	\$ 145,461.59	\$ 150,860.74	\$ 143,429.88
CCA - Computers	\$ -	\$ -	\$ -	\$ 3,253.30	\$ 5,855.94	\$ 4,684.75	\$ 3,747.80
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ 245.87	\$ 692.19	\$ 20,833.03	\$ 43,430.02	\$ 56,270.73	\$ 59,339.36
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	30.87%	28.05%	24.62%	22.87%
Income Taxes Payable	\$ -	\$ 88.81	\$ 231.88	\$ 6,431.16	\$ 12,182.12	\$ 13,853.85	\$ 13,570.91
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ 15,757.63	\$ 30,105.67	\$ 1,675,261.77	\$ 1,859,123.43	\$ 1,834,786.37	\$ 1,690,634.30
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ 27,110.83	\$ 16,266.50	\$ 5,422.17	\$ -
(Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ 15,757.63	\$ 30,105.67	\$ 1,702,372.60	\$ 1,875,389.93	\$ 1,840,208.53	\$ 1,690,634.30
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ 15,757.63	\$ 30,105.67	\$ 1,702,372.60	\$ 1,875,389.93	\$ 1,840,208.53	\$ 1,690,634.30
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ 35.45	\$ 67.74	\$ 3,830.34	\$ 1,406.54	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ 88.81	\$ 231.88	\$ 6,431.16	\$ 12,182.12	\$ 13,853.85	\$ 13,570.91
Change in OCT	\$ -	\$ 35.45	\$ 67.74	\$ 3,830.34	\$ 1,406.54	\$ -	\$ -
PILs	\$ -	\$ 124.26	\$ 299.62	\$ 10,261.50	\$ 13,588.66	\$ 13,853.85	\$ 13,570.91
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	30.87%	28.05%	24.62%	22.87%
Change in Income Taxes Payable	\$ -	\$ 139.03	\$ 348.70	\$ 9,302.99	\$ 16,931.37	\$ 18,378.69	\$ 17,594.86
Change in OCT	\$ -	\$ 35.45	\$ 67.74	\$ 3,830.34	\$ 1,406.54	\$ -	\$ -
PILs	\$ -	\$ 174.48	\$ 416.43	\$ 13,133.33	\$ 18,337.91	\$ 18,378.69	\$ 17,594.86



Ontario Energy Board

Smart Meter Model

Innisfil Hydro Distribution Systems Limited

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -	
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -	
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -	
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -	
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 277.00	4.14%	\$ -	\$ 277.00	
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 277.00	\$ 3,106.00	4.14%	\$ 0.96	\$ 3,383.96	
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 3,383.00	\$ 3,855.00	4.59%	\$ 12.94	\$ 7,250.94	
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 7,238.00	\$ 3,857.00	4.59%	\$ 27.69	\$ 11,122.69	
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 11,095.00	\$ 3,847.00	4.59%	\$ 42.44	\$ 14,984.44	
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 14,942.00	\$ 3,859.00	4.59%	\$ 57.15	\$ 18,858.15	
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 18,801.00	\$ 3,860.00	4.59%	\$ 71.91	\$ 22,732.91	
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 22,661.00	\$ 3,869.00	4.59%	\$ 86.68	\$ 26,616.68	\$ 26,829.77
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 26,530.00	\$ 3,867.00	4.59%	\$ 101.48	\$ 30,498.48	
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 30,397.00	\$ 3,877.00	4.59%	\$ 116.27	\$ 34,390.27	
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 34,274.00	\$ 3,875.00	4.59%	\$ 131.10	\$ 38,280.10	
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 38,149.00	\$ 3,881.00	4.59%	\$ 145.92	\$ 42,175.92	
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 42,030.00	\$ 3,878.00	4.59%	\$ 160.76	\$ 46,068.76	
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 45,908.00	\$ 3,890.00	4.59%	\$ 175.60	\$ 49,973.60	
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 49,798.00	\$ 3,884.00	4.59%	\$ 190.48	\$ 53,872.48	
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 53,682.00	\$ 3,887.00	4.59%	\$ 205.33	\$ 57,774.33	
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 57,569.00	\$ 3,897.00	4.59%	\$ 220.20	\$ 61,686.20	
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 61,466.00	\$ 3,898.00	5.14%	\$ 263.28	\$ 65,627.28	
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 65,364.00	\$ 3,906.00	5.14%	\$ 279.98	\$ 69,549.98	
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 69,270.00	\$ 3,915.00	5.14%	\$ 296.71	\$ 73,481.71	\$ 48,942.11
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 73,185.00	\$ 3,926.00	5.14%	\$ 313.48	\$ 77,424.48	
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 77,111.00	\$ 3,933.00	5.14%	\$ 330.29	\$ 81,374.29	
2012 Q3			Mar-08	2008	Q1	\$ 81,044.00	\$ 3,936.00	5.14%	\$ 347.14	\$ 85,327.14	
2012 Q4			Apr-08	2008	Q2	\$ 84,980.00	\$ 3,932.00	4.08%	\$ 288.93	\$ 89,200.93	
			May-08	2008	Q2	\$ 88,912.00	\$ 3,939.00	4.08%	\$ 302.30	\$ 93,153.30	
			Jun-08	2008	Q2	\$ 92,851.00	\$ 3,960.00	4.08%	\$ 315.69	\$ 97,126.69	
			Jul-08	2008	Q3	\$ 96,811.00	\$ 3,973.00	3.35%	\$ 270.26	\$ 101,054.26	
			Aug-08	2008	Q3	\$ 100,784.00	\$ 3,968.00	3.35%	\$ 281.36	\$ 105,033.36	
			Sep-08	2008	Q3	\$ 104,752.00	\$ 3,989.00	3.35%	\$ 292.43	\$ 109,033.43	
			Oct-08	2008	Q4	\$ 108,741.00	\$ 3,996.00	3.35%	\$ 303.57	\$ 113,040.57	
			Nov-08	2008	Q4	\$ 112,737.00	\$ 4,010.00	3.35%	\$ 314.72	\$ 117,061.72	
			Dec-08	2008	Q4	\$ 116,747.00	\$ 4,008.00	3.35%	\$ 325.92	\$ 121,080.92	\$ 51,256.09
			Jan-09	2009	Q1	\$ 120,755.00	\$ 4,024.00	2.45%	\$ 246.54	\$ 125,025.54	
			Feb-09	2009	Q1	\$ 124,779.00	\$ 4,028.00	2.45%	\$ 254.76	\$ 129,061.76	
			Mar-09	2009	Q1	\$ 128,807.00	\$ 4,032.00	2.45%	\$ 262.98	\$ 133,101.98	
			Apr-09	2009	Q2	\$ 132,839.00	\$ 4,046.00	1.00%	\$ 110.70	\$ 136,995.70	
			May-09	2009	Q2	\$ 136,885.00	\$ 4,812.00	1.00%	\$ 114.07	\$ 141,811.07	
			Jun-09	2009	Q2	\$ 141,697.00	\$ 12,544.00	1.00%	\$ 118.08	\$ 154,359.08	
			Jul-09	2009	Q3	\$ 154,241.00	\$ 14,457.00	0.55%	\$ 70.69	\$ 168,768.69	
			Aug-09	2009	Q3	\$ 168,698.00	\$ 14,472.00	0.55%	\$ 77.32	\$ 183,247.32	
			Sep-09	2009	Q3	\$ 183,170.00	\$ 14,468.00	0.55%	\$ 83.95	\$ 197,721.95	
			Oct-09	2009	Q4	\$ 197,638.00	\$ 14,500.00	0.55%	\$ 90.58	\$ 212,228.58	
			Nov-09	2009	Q4	\$ 212,138.00	\$ 14,519.00	0.55%	\$ 97.23	\$ 226,754.23	
			Dec-09	2009	Q4	\$ 226,657.00	\$ 14,492.00	0.55%	\$ 103.88	\$ 241,252.88	\$ 122,024.78
			Jan-10	2010	Q1	\$ 241,149.00	\$ 14,544.00	0.55%	\$ 110.53	\$ 255,803.53	
			Feb-10	2010	Q1	\$ 255,693.00	\$ 14,557.00	0.55%	\$ 117.19	\$ 270,367.19	
			Mar-10	2010	Q1	\$ 270,250.00	\$ 14,515.00	0.55%	\$ 123.86	\$ 284,888.86	
			Apr-10	2010	Q2	\$ 284,765.00	\$ 14,552.00	0.55%	\$ 130.52	\$ 299,447.52	
			May-10	2010	Q2	\$ 299,317.00	\$ 15,938.00	0.55%	\$ 137.19	\$ 315,392.19	
			Jun-10	2010	Q2	\$ 315,255.00	\$ 26,663.00	0.55%	\$ 144.49	\$ 342,062.49	
			Jul-10	2010	Q3	\$ 341,918.00	\$ 29,152.00	0.89%	\$ 253.59	\$ 371,323.59	
			Aug-10	2010	Q3	\$ 371,070.00	\$ 29,138.00	0.89%	\$ 275.21	\$ 400,483.21	
			Sep-10	2010	Q3	\$ 400,208.00	\$ 29,238.00	0.89%	\$ 296.82	\$ 429,742.82	
			Oct-10	2010	Q4	\$ 429,446.00	\$ 29,216.00	1.20%	\$ 429.45	\$ 459,091.45	
			Nov-10	2010	Q4	\$ 458,662.00	\$ 29,320.00	1.20%	\$ 458.66	\$ 488,440.66	
			Dec-10	2010	Q4	\$ 487,982.00	\$ 29,316.00	1.20%	\$ 487.98	\$ 517,785.98	\$ 279,114.49
			Jan-11	2011	Q1	\$ 517,298.00	\$ 29,410.00	1.47%	\$ 633.69	\$ 547,341.69	
			Feb-11	2011	Q1	\$ 546,708.00	\$ 17,956.00	1.47%	\$ 669.72	\$ 565,333.72	
			Mar-11	2011	Q1	\$ 564,664.00	\$ 29,366.00	1.47%	\$ 691.71	\$ 594,721.71	
			Apr-11	2011	Q2	\$ 594,030.00	\$ 29,498.00	1.47%	\$ 727.69	\$ 624,255.69	
			May-11	2011	Q2	\$ 623,528.00	\$ 29,445.00	1.47%	\$ 763.82	\$ 653,736.82	
			Jun-11	2011	Q2	\$ 652,973.00	\$ 29,493.00	1.47%	\$ 799.89	\$ 683,265.89	
			Jul-11	2011	Q3	\$ 682,466.00	\$ 29,458.00	1.47%	\$ 836.02	\$ 712,760.02	
			Aug-11	2011	Q3	\$ 711,924.00	\$ 31,442.00	1.47%	\$ 872.11	\$ 744,238.11	
			Sep-11	2011	Q3	\$ 743,366.00	\$ 28,596.50	1.47%	\$ 910.62	\$ 772,873.12	



Ontario Energy Board

Smart Meter Model

Innisfil Hydro Distribution Systems Limited

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

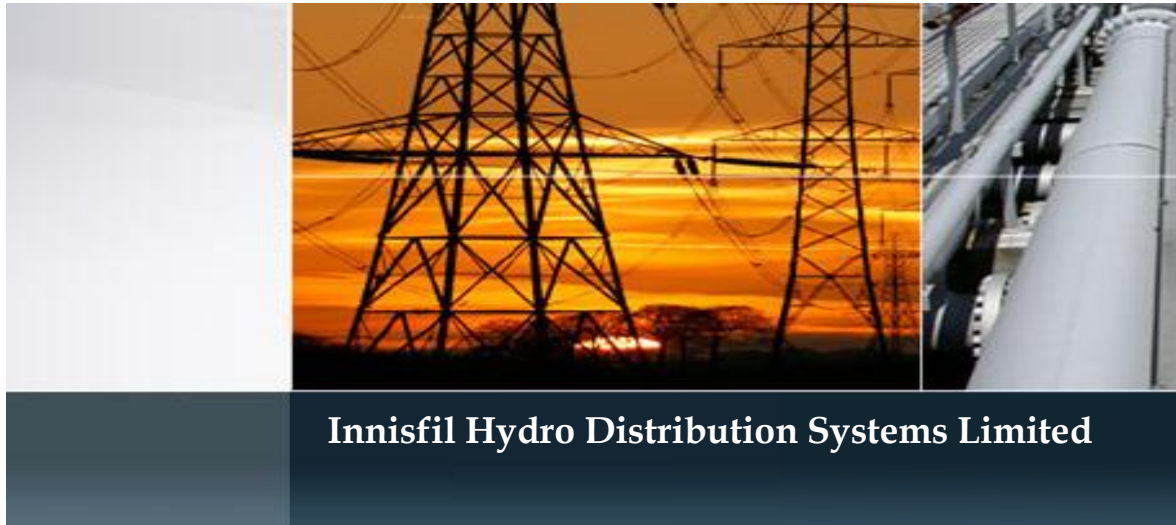
Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts
			Oct-11	2011	Q4	\$ 771,962.50	\$ 28,596.50	1.47%	\$ 945.65	\$ 801,504.65	
			Nov-11	2011	Q4	\$ 800,559.00	\$ 28,596.50	1.47%	\$ 980.68	\$ 830,136.18	
			Dec-11	2011	Q4	\$ 829,155.50	\$ 28,596.50	1.47%	\$ 1,015.72	\$ 858,767.72	\$ 350,301.32
			Jan-12	2012	Q1	\$ 857,752.00	\$ 28,596.50	1.47%	\$ 1,050.75	\$ 887,399.25	
			Feb-12	2012	Q1	\$ 886,348.50	\$ 28,596.50	1.47%	\$ 1,085.78	\$ 916,030.78	
			Mar-12	2012	Q1	\$ 914,945.00	\$ 28,596.50	1.47%	\$ 1,120.81	\$ 944,662.31	
			Apr-12	2012	Q2	\$ 943,541.50	\$ 28,596.50	1.47%	\$ 1,155.84	\$ 973,293.84	
			May-12	2012	Q2	\$ 972,138.00	\$ 28,596.50	1.47%	\$ 1,190.87	\$ 1,001,925.37	
			Jun-12	2012	Q2	\$ 1,000,734.50		1.47%	\$ 1,225.90	\$ 1,001,960.40	
			Jul-12	2012	Q3	\$ 1,000,734.50		0.00%	\$ -	\$ 1,000,734.50	
			Aug-12	2012	Q3	\$ 1,000,734.50		0.00%	\$ -	\$ 1,000,734.50	
			Sep-12	2012	Q3	\$ 1,000,734.50		0.00%	\$ -	\$ 1,000,734.50	
			Oct-12	2012	Q4	\$ 1,000,734.50		0.00%	\$ -	\$ 1,000,734.50	
			Nov-12	2012	Q4	\$ 1,000,734.50		0.00%	\$ -	\$ 1,000,734.50	
			Dec-12	2012	Q4	\$ 1,000,734.50		0.00%	\$ -	\$ 1,000,734.50	\$ 149,812.45
Total Funding Adder Revenues Collected						\$ 1,000,734.50			\$ 27,546.51	\$ 1,028,281.01	\$ 1,028,281.01

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Innisfil Hydro Distribution Systems Limited

This worksheet calculates the interest on OM&A and amortization/depr

Account 1556 - Su

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-

2011 Q4	1.47%	4.29%		Dec-07	2007	Q4	-
2012 Q1	1.47%	4.29%		Jan-08	2008	Q1	-
2012 Q2	1.47%	4.29%		Feb-08	2008	Q1	-
2012 Q3	0.00%	0.00%		Mar-08	2008	Q1	-
2012 Q4	0.00%	0.00%		Apr-08	2008	Q2	-
				May-08	2008	Q2	-
				Jun-08	2008	Q2	-
				Jul-08	2008	Q3	-
				Aug-08	2008	Q3	-
				Sep-08	2008	Q3	-
				Oct-08	2008	Q4	-
				Nov-08	2008	Q4	-
				Dec-08	2008	Q4	-
				Jan-09	2009	Q1	-
				Feb-09	2009	Q1	5,275.12
				Mar-09	2009	Q1	10,550.24
				Apr-09	2009	Q2	20,077.87
				May-09	2009	Q2	25,352.99
				Jun-09	2009	Q2	31,751.33
				Jul-09	2009	Q3	39,139.35
				Aug-09	2009	Q3	44,564.47
				Sep-09	2009	Q3	50,562.25
				Oct-09	2009	Q4	56,240.58
				Nov-09	2009	Q4	61,710.70
				Dec-09	2009	Q4	92,224.34
				Jan-10	2010	Q1	103,226.11
				Feb-10	2010	Q1	114,661.83
				Mar-10	2010	Q1	133,546.02
				Apr-10	2010	Q2	142,867.19
				May-10	2010	Q2	154,302.91
				Jun-10	2010	Q2	165,738.63
				Jul-10	2010	Q3	177,174.36
				Aug-10	2010	Q3	188,610.08
				Sep-10	2010	Q3	200,045.80
				Oct-10	2010	Q4	270,340.88
				Nov-10	2010	Q4	281,776.60
				Dec-10	2010	Q4	311,764.58
				Jan-11	2011	Q1	343,894.16
				Feb-11	2011	Q1	353,856.84
				Mar-11	2011	Q1	382,245.75
				Apr-11	2011	Q2	419,134.84
				May-11	2011	Q2	453,655.66
				Jun-11	2011	Q2	494,132.36
				Jul-11	2011	Q3	544,065.14
				Aug-11	2011	Q3	574,551.90
				Sep-11	2011	Q3	650,507.33
				Oct-11	2011	Q4	673,996.78
				Nov-11	2011	Q4	698,508.18
				Dec-11	2011	Q4	717,693.97

	Jan-12	2012	Q1	736,879.75
	Feb-12	2012	Q1	756,362.79
	Mar-12	2012	Q1	775,845.83
	Apr-12	2012	Q2	795,328.87
	May-12	2012	Q2	814,811.90
	Jun-12	2012	Q2	834,294.94
	Jul-12	2012	Q3	853,777.98
	Aug-12	2012	Q3	873,261.02
	Sep-12	2012	Q3	892,744.06
	Oct-12	2012	Q4	912,227.10
	Nov-12	2012	Q4	931,710.13
	Dec-12	2012	Q4	951,193.17



preciation expense, based on monthly data.

b-accounts Operating Expenses, Amortization Expenses, Carrying Charges

OM&A Expenses	Amortization / Depreciation Expense	Closing Balance (Principal)	(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
		-	0.00%	-	-
		-	0.00%	-	-
		-	0.00%	-	-
		-	4.14%	-	-
		-	4.14%	-	-
		-	4.14%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	4.59%	-	-
		-	5.14%	-	-
		-	5.14%	-	-

\$ 6,566.67	\$ 12,916.37	756,362.79	1.47%	902.68	10,539.10
\$ 6,566.67	\$ 12,916.37	775,845.83	1.47%	926.54	11,465.65
\$ 6,566.67	\$ 12,916.37	795,328.87	1.47%	950.41	12,416.06
\$ 6,566.67	\$ 12,916.37	814,811.90	1.47%	974.28	13,390.34
\$ 6,566.67	\$ 12,916.37	834,294.94	1.47%	998.14	14,388.48
\$ 6,566.67	\$ 12,916.37	853,777.98	1.47%	1,022.01	15,410.49
\$ 6,566.67	\$ 12,916.37	873,261.02	0.00%	-	15,410.49
\$ 6,566.67	\$ 12,916.37	892,744.06	0.00%	-	15,410.49
\$ 6,566.67	\$ 12,916.37	912,227.10	0.00%	-	15,410.49
\$ 6,566.67	\$ 12,916.37	931,710.13	0.00%	-	15,410.49
\$ 6,566.67	\$ 12,916.37	951,193.17	0.00%	-	15,410.49
\$ 6,566.63	\$ 12,916.37	970,676.17	0.00%	-	15,410.49

\$ 463,724.24 \$ 506,951.93 \$ 970,676.17





Ontario Energy Services

Smart Meter

Innisfil Hydro Distribution Systems Limited

This worksheet calculates the interest on OM&A and amortization/depreciation expense, in the absence of monthly data.

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -
2007	\$ -	\$ 543.37	\$ 543.37	\$ 271.68	4.73%	\$ 12.84
2008	\$ -	\$ 1,618.97	\$ 2,162.33	\$ 1,352.85	3.98%	\$ 53.84
2009	\$ 39,924.00	\$ 64,377.07	\$ 106,463.40	\$ 54,312.87	1.14%	\$ 617.81
2010	\$ 103,440.00	\$ 136,934.67	\$ 346,838.07	\$ 226,650.73	0.80%	\$ 1,807.54
2011	\$ 241,561.00	\$ 151,131.40	\$ 739,530.47	\$ 543,184.27	1.47%	\$ 7,984.81
2012	\$ 78,800.00	\$ 149,574.23	\$ 967,904.70	\$ 853,717.58	1.47%	\$ 12,549.65
Cumulative Interest to 2011						\$ 10,476.84
Cumulative Interest to 2012						\$ 23,026.49

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Ontario Energy Board

Smart Meter Model

Innisfil Hydro Distribution Systems Limited

This worksheet calculates the Smart Meter Disposition Rider and the Smart Meter Incremental Revenue Requirement Rate Rider, if applicable. This worksheet also calculates any new Smart Meter Funding Adder that a distributor may wish to request. However, please note that in many 2011 IRM decisions, the Board noted that current funding adders will cease on April 30, 2011 and that the Board's expectation is that distributors will file for a final review of prudence at the earliest opportunity. The Board also noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board observed that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, and not fully fund prior capital investment. Distributors that seek a new SMFA should provide evidence to support its proposal. This would include documentation of where the distributor is with respect to its smart meter deployment program, and reasons as to why the distributor's circumstances are such that continuation of the SMFA is warranted. Press the "UPDATE WORKSHEET" button after choosing the applicable adders/riders.

Check if applicable

- ☐ Smart Meter Funding Adder (SMFA)
- ☒ Smart Meter Disposition Rider (SMDR)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMDR is calculated based on costs to December 31, 2011

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

	2006	2007	2008	2009	2010	2011	2012 and later	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ 1,434.43	\$ 4,122.47	\$ 181,613.70	\$ 391,047.08	\$ 549,979.50	\$ 376,311.97	\$ 1,504,509.14
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below)	\$ -	\$ -	\$ -	\$ 254.50	\$ 1,656.78	\$ 7,725.15		\$ 9,636.43
<input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances)	\$ -	\$ -	\$ -	\$ 254.50	\$ 1,656.78	\$ 7,725.15		\$ 9,636.43
<input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances)								\$ -
SMFA Revenues (from Sheet 8)	\$ 26,530.00	\$ 46,655.00	\$ 47,570.00	\$ 120,394.00	\$ 276,149.00	\$ 340,454.00	\$ 142,982.50	\$ 1,000,734.50
SMFA Interest (from Sheet 8)	\$ 299.77	\$ 2,287.11	\$ 3,686.09	\$ 1,630.78	\$ 2,965.49	\$ 9,847.32	\$ 6,829.95	\$ 27,546.51
Net Deferred Revenue Requirement	-\$ 26,829.77	-\$ 47,507.68	-\$ 47,133.62	\$ 59,843.42	\$ 113,589.37	\$ 207,403.32	\$ 226,499.52	\$ 485,864.56

Number of Metered Customers (average for 2012 test year) 14914

Calculation of Smart Meter Disposition Rider (per metered customer per month)

Years for collection or refunding	2	
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 1,137,833.59	
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 1,028,281.01	
Net Deferred Revenue Requirement	\$ 109,552.58	
SMDR May 1, 2012 to April 30, 2014	\$ 0.31	} Match
Check: Forecasted SMDR Revenues	\$ 110,960.16	

Calculation of Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month)

Incremental Revenue Requirement for 2012	\$ 376,311.97	
SMIRR	\$ 2.10	} Match

Check: Forecasted SMIRR Revenues

\$ 375,832.80





Funding and Cost Recovery Mechanisms

The following table provides a summary of the three mechanisms for smart meter funding and cost recovery that the Board has established and that can be calculated by this model. The Smart Meter Funding Adder ("SMFA") was described in Guideline G-2008-0002. The Smart Meter Disposition Rider ("SMDR") and Smart Meter Incremental Revenue Requirement Rate Rider ("SMIRR") were defined by the Board in the Decision for PowerStream Inc.'s application for Smart Meter disposition [EB-2010-0209], October 1, 2010.

Title	Acronym	Description
Smart Meter Funding Adder	SMFA	<ul style="list-style-type: none"> • Mechanism to provide funding before and during smart meter deployment and acts to smooth the rate increases due to smart meter implementation. • First implemented in rates for May 1, 2006. • Initially established at a level of about \$0.26/month per metered customer for most distributors; some utilities have had unique SMFA rates due to initial Smart Meter Implementation Plans. Distributors could subsequently apply for a standard SMFA of \$1.00 per metered customer per month or a utility-specific SMFA. • SMFA revenues are tracked in a sub-account of Account 1555. Upon disposition, the SMFA revenues and simple interest are used to offset the deferred historical revenue requirement of installed smart meters plus interest on the OM&A and amortization/depreciation expenses, with the variance recovered or refunded through the SMDR. • In many 2011 EDR applications, the Board capped the SMFA at \$2.50/month per metered customer. Further, the Board indicated that the SMFA would cease by April 30, 2012.
Smart Meter Disposition Rider	SMDR	<ul style="list-style-type: none"> • The SMDR recovers, over a specified time period, the variance between: 1) the deferred revenue requirement for the installed smart meters up to the time of disposition and interest on OM&A and depreciation/amortization expenses; and 2) the SMFA revenues collected and associated interest. • The SMDR should be calculated as a fixed monthly charge. The capital (smart meter, AMI, systems hardware and software) and operating expenses are largely fixed costs and invariant to a customer's demand, and hence should be recovered largely through fixed charges. • In many cases the SMDR has been recovered on an equal basis from all metered customer classes, although more recent decisions have dealt with class-specific disposition riders. The distributor should determine and support its proposed allocation, based on principles of cost causality and practicality.
Smart Meter Incremental Revenue Requirement Rate Rider	SMIRR	<ul style="list-style-type: none"> • When smart meter disposition occurs in a stand-alone application, a SMIRR is calculated as the proxy for the incremental change in the distribution rates that would have occurred if the assets and operating expenses were incorporated into the rate base and the revenue requirement. • The SMIRR is calculated as the annualized revenue requirement for the test year for the capital and operating costs for smart meters. • The SMIRR should be calculated as a fixed monthly charge, similar to the SMDR. • The allocation for the SMIRR should generally be the same as for the SMDR. • The SMIRR ceases at the time of the utility's next cost of service application when smart meter capital and operating costs are explicitly incorporated into the rate base and revenue requirement.

Cost of Service Applications

The recovery of smart meter capital and operating costs is normally approved (or denied) following a review for prudence and disposition in a cost of service proceeding. A smart meter disposition rate rider (SMDR) is used to recover the residual revenue requirement that is made up of smart meter costs up to the time of disposition plus interest on OM&A and depreciation/amortization expenses, less amounts collected through the SMFA and associated interest. The approved gross book value and accumulated depreciation of installed smart meters are then added to rate base, and the test period operating expenses are added to OM&A. This ensures the recovery of the incremental revenue requirement on a going-forward basis through base rates. Further, smart meter capital and operating costs should be reflected in the cost allocation study to ensure an appropriate allocation of costs to the various customer classes.¹

If a distributor seeks approval for costs related to 100% smart meter deployment, any capital and operating costs for smart meters that are installed beyond the (2012) test year (i.e. for new customers) should not be recorded in Accounts 1555 and 1556.

The Board considers that rates will be fully compensatory when smart meter costs are either incorporated into base rates or recovered by means of the SMIRR. When smart meters are installed for new customers, these customers will pay rates that reflect the recovery of smart meter costs. The costs of these additional smart meter costs should be reflected in normal capital and operating accounts, akin to other normal distribution assets and costs.

Stand-alone Applications

As per *Chapter 3 of the Filing Requirements for Transmission and Distribution Applications*, issued June 22, 2011, the Board expects those distributors that are scheduled to remain on IRM to file a stand-alone application with the Board seeking final approval for smart meter related costs. When rates are adjusted in a stand-alone application, there is no re-evaluation of rate base or of the revenue requirement for the purpose of setting distribution rates. Where the Board approves smart meter capital and operating costs outside of a cost of service proceeding, a SMDR is still required. In addition, a smart meter incremental revenue requirement rate rider (SMIRR) is established to recover the prospective annualized incremental revenue requirement for the approved smart meters, until the distributor's next cost of service application. The SMIRR continues until the effective date of the distributor's next cost of service rate order, at which time assets and costs are incorporated into the rate base and revenue requirement and recovered on a going-forward basis through base rates.

As in a cost of service application, when smart meter costs are approved for 100% deployment, capital and operating costs for smart meters on a going-forward basis are no longer recorded in Accounts 1555 and 1556; instead the costs are recorded in the applicable capital or operating expense account (e.g. Account 1860 – Meters for smart meter capital assets).

Evidence to be Filed in Support of Smart Meter Cost Recovery in a Cost of Service or Stand-Alone Application

The purpose of this model is to calculate a smart meter revenue requirement from a distributor's capital and OM&A costs, and to provide one methodology for the determination of associated riders and/or adders. In addition to filing this model, distributors must provide in any application for cost recovery detailed descriptions of all costs incurred. The onus is on the distributor to support its case, and the distributor should provide any additional information necessary to understand the distributor's costs in light of its circumstances. In considering the recovery of smart meter costs, the Board also expects that a distributor will provide evidence on any operational efficiencies and cost savings that result from smart meter implementation. As an example, meter reading expenses may be reduced with the activation of remote meter reading through the AMI network for residential and small general service customers.

When applying for the recovery of smart meter costs, a distributor should ensure that historical cost information has been audited including the smart meter-related deferral account balances up to the distributor's last Audited Financial Statements. A distributor may also include historical costs that are not audited and estimated costs, corresponding to a stub period or to a forecast for the test rate year. The Board expects that the majority (i.e. 90% or more) of costs for which the distributor is seeking recovery will be audited. In all cases, the Board expects that the distributor will document and explain any differences between unaudited or forecasted amounts and audited costs.

Costs Beyond Minimum Functionality

While authorized smart meter deployment must meet the requirements for minimum functionality, a distributor may incur costs that are beyond the "minimum functionality". To date, the Board has reviewed three types of costs that are "beyond minimum functionality":

A. Costs for technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06;

B. Costs for deployment of smart meters to customers other than residential and small general service (i.e. Residential and GS < 50 kW customers); and

C. Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

Costs beyond minimum functionality for which recovery is sought must be recorded in the Smart Meter Costs tab of the model in these three categories, and appropriate supporting evidence for each cost type must be provided in the application. Further comments on each of these cost types are provided below.

A. Costs for technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg. 425/06

O.Reg. 425/06 specifies that costs that exceed minimum functionality may be approved by the Board for recovery. In deciding whether technical capabilities of installed smart meters or associated communications or other infrastructure that exceed minimum functionality are recoverable, the Board will consider the benefits of the added technical features and the prudence of these costs. Any distributor seeking recovery for these additional capabilities should provide documentation of the additional technical capabilities, the reasons for them and a detailed cost/benefit analysis.

Technical functionality beyond minimum functionality was dealt with by the Board with respect to Hydro One Networks' 2008 cost of service application, regarding the costs and benefits of super-capacitors in the smart meters and AMI collectors. In its Decision and Order on that application (EB-2007-0681), issued December 18, 2008, the Board approved the recovery of the incremental costs.

B. Costs for deployment of smart meters to customers other than residential and small general service

O.Reg. 425/06 defines smart meter deployment as pertaining to residential and small general service customers. The Functional Specification sets the required minimum level of functionality for the AMI to be "for residential and small general service consumers where the metering of demand is not required." As such, minimum functionality has been defined as customers in the residential and general service ("GS") < 50 kW classes.

While some customers in other metered customer classes (GS > 50 kW, Intermediate, Large Use) have interval meters that measure peak demand in a time interval, some distributors may have customers in these classes that have conventional meters and are not eligible for the regulated price plan ("RPP") and therefore are subject to the weighted average spot market price.

A distributor may, as part of its smart meter deployment program, decide to install smart meters for these customers. This could be on the basis that these customers will have higher demand than will typical residential and GS < 50 kW customers, and providing them with better information on how much and when they consume electricity may provide these customers with opportunities for more energy conservation and load shifting. While such meter conversions may generally appear to be logical, they are outside of the regulation and hence are beyond minimum functionality. In other instances, a distributor may convert the meters of interval-metered customers upon repair or re-sealing to "smart" meters that communicate using the AMI infrastructure that the distributor has installed, replacing the existing communications systems for these meters. Again, as these are for meters for customers other than residential and small general service, they are outside of the regulation and hence beyond minimum functionality.

The Board, as part of the Combined Proceeding (EB-2007-0063, December 13, 2007), approved cost recovery for meter conversions for GS > 50 kW customers for both Toronto Hydro Electric System Limited ("Toronto Hydro") and Hydro Ottawa Limited. However the Board stated:

"The Board is explicitly not finding that the costs associated with these meters fall into the minimum functionality costs. The Board approval of these costs is ancillary to the smart meter decision."

With respect to Toronto Hydro, the Board subsequently approved the recovery of these costs for smart meter installation/conversion for GS > 50 kW customers in Toronto Hydro's 2008-2009 [EB-2007-0681] and 2011 [EB-2010-0142] cost of service rate applications.

Some distributors may be doing "smart meter" conversions for General Service > 50 kW customers upon repair or resealing to enable meter data collection through the AMI infrastructure. While it is recognized that these smart meter installations and conversions are "beyond minimum functionality", a distributor may apply for the recovery of such costs. The application should document the nature, the justification and the cost per meter separately from those for the residential and GS < 50 kW customers.

C. Costs for TOU rate implementation, CIS system upgrades, web presentation, etc.

Costs for CIS systems, TOU rate implementation, etc., are beyond minimum functionality as established by the Board in the Combined Proceeding. However, such costs may be recoverable. In its application, a distributor should show how these costs are required for its smart meter program. Further, a distributor should document how these costs are incremental. For example, if a distributor has a normal budget for maintenance of its billing and CIS systems, costs claimed for system maintenance and upgrades must be shown to be incremental to the normal budget that is already recovered in base rates.

All costs beyond minimum functionality should be clearly identified and supported. Costs that are for meter data functions that will be the responsibility of the Smart Metering Entity will not be recoverable, unless already allowed for as per O.Reg. 426/06. Costs for other matters such as CIS changes or TOU bill presentation may be recoverable, but the distributor will have to support these costs and will have to demonstrate how they are required for the smart meter deployment program and that they are incremental to the distributor's normal operating costs.

Cost recovery for ongoing costs of the Smart Metering Entity should not be included in any smart meter cost recovery application, until such time as the Board establishes a cost recovery mechanism. To date, the Board has disallowed requests for either cost recovery or the establishment of a deferral account to track these costs.

Cost Allocation

The model does not deal with allocations between customer rate classes. In calculating the SMDR and SMIRR, the Board has approved, in some applications, the recovery of amounts from certain applicable customer classes based on the availability of detailed data at the customer class level and on principles of cost causality.

If a distributor does not have sufficient information to support an allocation to the applicable classes, a distributor may choose to propose a recovery on the basis of all metered customers resulting in one uniform rate rider for all metered customer classes. The model calculates the SMFA, SMIRR and SMDR on this basis.

Whichever method is adopted, the Board is of the view that any cost allocation approach should be consistent between the SMDR and the SMIRR when disposition is sought in a stand-alone application. The Board will entertain proposals supported by analysis for SMDRs and SMIRRs based on principles of cost causality and where the distributor has the necessary historical and forecasted data. Distributors should refer to the PowerStream application considered under EB-2010-0209 for a practical approach. However, if a distributor decides to adopt this approach in its application, it will have to adjust it to its own circumstances.² Further, adoption of this approach will not predetermine its approval by the Board in an individual application.

Stranded Meters

The model does not address the recovery of stranded meter costs. Distributors filing Cost of Service applications should refer to *Chapter 2 of the Filing Requirements for Transmission and Distribution Applications*, issued June 22, 2011 (Section 2.5.1.5).

While it would be preferable, conceptually, to also deal with stranded meter costs in a non-cost of service application, the Board recognizes that practical difficulties would arise since there is no restatement of rate base and rates. The Board therefore expects that stranded meter costs will be left in rate base until the distributor's next cost of service application.

The Stranded Meter Rate Rider to recover the residual Net Book Value of stranded (i.e. replaced conventional) meters is separate from any SMDR or SMIRR. In other words, a distributor must calculate (and should show its derivation) the Stranded Meter Rate Rider on a stand-alone basis.

¹ See Section 2.10 – Cost Allocation of Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, issued June 22, 2011.

² For example, if a distributor has deployed smart meters to classes other than Residential and GS < 50 kW, it will have to reflect the additional classes in any cost allocation proposal.