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June 15, 2012

BY COURIER & RESS

Ms. Kirsten Walli, Board Secretary ONTARIO ENERGY BOARD 2300 Yonge Street, 26th Floor, P.O. Box 2319 TORONTO, ON M4P 1E4

Re: Kitchener-Wilmot Hydro Inc. – Smart Meter Prudence Review and Application for Smart Meter Disposition and Smart Meter Incremental Revenue Requirement Rate Riders

Dear Ms. Walli:

Pursuant to the direction in the Ontario Energy Board's Guideline, "*Smart Meter Funding and Cost Recovery – Filing Disposition*", dated December 15, 2011. Kitchener-Wilmot Hydro Inc. (KWHI) is filing this Application to request recovery of its Smart Meter Implementation costs through rate riders effective November 1, 2012 for the Smart Meter Disposition Rate Rider (SMDR) and May 1, 2013 for the Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR). Please find attached all relevant working papers and models.

As a result of the applied for adjustments, Residential customers would not be affected by the SMDR but would see an increase in the total bill of 0.5% or \$0.60 due to the SMIRR. A General Service<50 kWh customer would experience an increase of 3.3% or \$8.83 for the SMDR and an increase of 1.8% or \$4.82 for the SMIRR.

A copy of this submission has been electronically filed through the Board's RESS system. The original and two (2) copies have been couriered to the Board's offices.

Kindly contact the undersigned should you require any further information.

Sincerely,

Original Signed by

J. Van Ooteghem, P.Eng. President & CEO

kb/attachments

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ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Kitchener-Wilmot Hydro Inc. to the Ontario Energy Board for an Order approving just and reasonable rates with respect to smart meters effective November 1, 2012 and May 1, 2013.

KITCHENER-WILMOT HYDRO INC.

2012 SMART METER COST RECOVERY APPLICATION

A. <u>Overview</u>

- Kitchener-Wilmot Hydro Inc. ("KWHI") is an electricity distributor that is licensed and rate regulated by the Ontario Energy Board (referred to in this Application as the "Board" or the "OEB") under the Ontario Energy Board Act, 1998.
- KWHI is filing this Application for cost recovery of costs incurred by it as part of the Smart Meter Initiative. The cost recovery is based on actual audited costs incurred to December 31, 2011 and forecasted OM&A costs to December 31, 2013.
- 3. The total Smart Meter Cost claim is \$14.8M as shown below in Table 1 below:

Description		Total Cost	C	Cost/Smart Meter
Smart Meters & AMI system	\$	12,643,592.68	\$	145.34
Customer Information Systems	\$	739,277.47	\$	8.50
Total Capital Costs	\$	13,382,870.15	\$	153.84
Number of Smart Meters installed	86991			
Incremental OM&A Costs - 2007 to 2011 Actual	\$	731,973.36	\$	8.41
Incremental OM&A Costs - 2012 & 2013 Projected	\$	697,489.51	\$	8.02
Total OM&A Costs	\$	1,429,462.87	\$	16.43
Total Smart Meters Costs	\$	14,812,333.02	\$	170.27

Table 1 - Summary of Smart Meter Costs

- 4. The costs incurred are partially offset (to April 2012) by the Smart Meter Funding Adder (including simple interest) revenues collected of \$5,306,566.
- 5. KWHI is not required to file a Cost of Service Application until 2014; thus KWHI is filing this stand-alone Smart Meter Prudence Review Application to specifically request the following rate riders:
 - a. Smart Meter Disposition Rate Rider (SMDR) effective November 1, 2012
 - i. (\$0.0046) per Residential customer per month
 - ii. \$8.6823 per General Service<50 kW customer per month
 - b. Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR) effective May 1, 2013
 - i. \$0.5930 per Residential customer per month
 - ii. \$4.7369 per General Service<50 kW customer per month
- 6. KWHI requests that the SMDR and SMIRR rate riders be in effect for an 18 month and 12 month period respectively to allow for full recovery of its costs.
- The Board's report, "Sector Smart Meter Audit Review Report", dated March 31, 2010, indicates a sector Average Capital Cost of \$186.76 per meter. Per the same report the Average Total Cost per Meter (including both Capital and OM&A) is \$207.37.
- 8. KWHI's average capital cost per meter of \$149.99 and its average total cost per meter of \$160.24 (net of costs exceeding minimum functionality) demonstrate that KWHI's Smart Meter costs have been prudently incurred. Details of KWHI's average Capital cost, average OM&A cost and average total cost per meter are presented in the Tables 2-4 below:

Table 2 - Average Capital Cost per Meter

Capital Costs		2008		2009		2010		2011	2012	2013	Total
Smart Meter Capital Cost, Including Costs Exceeding Minimum Functionality	\$	329,972	\$	7,190,305	\$	4,664,736	\$	1,197,857	\$ -	\$ -	\$ 13,382,870
Less: Capital Costs Exceeding Minimum Functionality	\$	-	\$	124,649	\$	56,047	\$	154,626	\$ -	\$ -	\$ 335,322
Smart Meter Capital Cost, Excluding Costs Exceeding Minimum Functionality	\$	329,972	\$	7,065,655	\$	4,608,690	\$	1,043,231	\$ -	\$ -	\$ 13,047,548
Number of Smart Meters Installed									86991		
Average Capital Cost, Excluding Costs Exceeding Minimum Functionality											\$ 149.99

OM&A Costs		2008		2009		2010		2011		2012	2013	Total
Smart Meter OM&A Cost, Including Costs Exceeding Minimum Functionality	\$	-	\$	162,631	\$	162,424	\$	406,919	\$	352,490	\$ 345,000	\$ 1,429,463
Less: OM&A Cost Exceeding Minimum Functionality	\$	-	\$	25,049	\$	7,332	\$	233,766	\$	127,630	\$ 144,000	\$ 537,777
Smart Meter OM&A Cost, Excluding Costs Exceeding Minimum Functionality	\$	-	\$	137,582	\$	155,092	\$	173,153	\$	224,860	\$ 201,000	\$ 891,686
Number of Smart Meters Installed	Number of Smart Meters Installed									86991		
Average OM&A Costs, Excluding Costs Exceeding Minimum Functionality												\$ 10.25

Table 3 - Average OM&A Cost per Meter

OM&A Costs		2008		2009		2010		2011	2012	2013	Total
Smart Meter Total Cost, Including Costs Exceeding Minimum Functionality	\$	329,972	\$	7,352,936	\$	4,827,160	\$	1,604,776	\$ 352,490	\$ 345,000	\$ 14,812,333
Less: Costs Exceeding Minimum Functionality	\$	-	\$	149,698	\$	63,379	\$	388,392	\$ 127,630	\$ 144,000	\$ 873,099
Smart Meter Total Cost, Excluding Costs Exceeding Minimum Functionality	\$	329,972	\$	7,203,237	\$	4,763,782	\$	1,216,384	\$ 224,860	\$ 201,000	\$ 13,939,234
Number of Smart Meters Installed									86991		
Average Total Costs, Excluding Costs Exceeding Minimum Functionality											\$ 160.24

Table 4 - Average Total Cost per Meter

9. KWHI is not requesting for recovery of stranded meter costs at this time. The stranded meter costs will be addressed in KWHI's Cost of Service Application to be filed in the summer of 2013. As per the Board's Smart Meter Funding and Cost Recovery – Final Dispositional Guideline (G-2001-001), KWHI will maintain its stranded meters in rate base until its next rebasing application. KWHI estimates that its stranded meter cost will be approximately \$4.1M (net).

Background Information

- In 2008, KWHI became authorized by regulation (O. Reg. 427/06) to conduct Smart Meter activities, conditional on its meters being acquired pursuant to and in compliance with the Request for Proposal issued by London Hydro Inc.
- 11. On April 12, 2006, KWHI received its initial Board Approval for a Smart Meter Funding Adder of \$0.27 per metered customer per month to be effective May 1, 2006 as part of its 2006 Electricity Distribution Rate Application (EB-2005-0386). At the time of the Board's approval of the initial Smart Meter Funding Adder, KWHI was not yet authorized to begin Smart Meter installations.
- 12. In 2008, KWHI became authorized by regulation (O. Reg. 427/06) to conduct Smart Meter activities, conditional on its meters being acquired pursuant to and in compliance with the Request for Proposal issued by London Hydro Inc. KWHI has since been an active distributor for the purposes of Smart Meter installations.
- KWHI then applied to the Board for its Smart Meter Funding Adder to be increased to \$1.00 per metered customer per month as part of its 2009 Electricity Distribution Rate Application (EB-2008-0192). On March 10, 2009, KWHI received Board approval for this increased charge to be effective May 1, 2009. The Funding Adder was continued for another year as part of KWHI's 2010 Cost of Service Rate Application (EB-2009-0267).
- 14. KWHI applied and received approval for a Utility Specific Smart Meter Funding Adder (\$2.00 per metered customer per month) as part of its 2011 IRM Rate Application (EB-2010-0094). Approval was received from the Board on April 7, 2011 for rates effective May 1, 2011.
- 15. The Utility-Specific Smart Meter Funding Adder of \$2.00 per metered customer per month was discontinued as of April 30, 2012 as part of KWHI's 2012 Rate Application (EB-2011-0179).
- 16. KWHI has populated the Board's Smart Meter Calculation Model with audited amounts to December 31, 2011 and forecast amounts for 2012 and 2013. The full model with detailed calculations is attached to this Application as Appendix A. Estimated MDMR costs have not been included in the models for 2011 (historical) and 2012 forecasted costs as these costs are largely unknown at this time.

Smart Meter Implementation Status

- 17. KWHI notes that the Board has directed that when a distributor wishes to apply for the Smart Meter Disposition Rate and Smart Meter Incremental Revenue Requirement Rate Riders, a stand-alone Application with a full prudence review is required. Further, LDCs may apply upon reaching 90% of its expected capital costs.
- As of December 31, 2011, KWHI total audited capital costs for its Smart Meter program reached
 95.29% of its total forecast cost with 99.99% of its total smart meters installed.
- 19. KWHI's Smart Meter installation detail by rate class is presented in Table 5 below:

	2008	2009	2010	2011	Total
Residential Smart Meters	1,974	42,389	33,525	1,496	79,384
General Service<50kW Smart Meters	0	2,027	3,979	1,601	7,607
Total Smart Meters Installed	1,974	44,416	37,504	3,097	86,991

Table 5 - Summary of Smart Meter Installations by Year

- 20. The remaining 8 Smart Meters have been installed as at May 31, 2012 for a total Smart Meter installation of 86,999.
- 21. This Application seeks the recovery of the revenue requirements in respect of these Smart Meters as follows:

Revenue Requirement 2007	\$ -
Revenue Requirement 2008	\$ (1,160.90)
Revenue Requirement 2009	\$ 421,496.74
Revenue Requirement 2010	\$ 1,419,357.95
Revenue Requirement 2011	\$ 2,043,359.63
Revenue Requirement 2012	\$ 2,605,731.23
Revenue Requirement 2013	\$ 2,059,420.44
Revenue Requirement Total	\$ 8,548,205.09
Smart Meter Funding Adder	\$ (5,137,753.72)
Carrying Cost	\$ 948,563.40
Smart Meter True-up	\$ 4,359,014.78

Table 6 - Revenue Requirement

- 22. The costs above, with the exception of forecasted costs, represent actual costs incurred in the deferral accounts 1555 and 1556 taken from KWHI's audited financial statements as of December 31, 2011.
- 23. KWHI notes that there are small dollar differences between this application and the numbers reported to the Board under RRR. The differences arise from:
 - a. Reclassification of \$132,983 (2009) from the Meter sub-account to the Communication Equipment sub-account. The reclassification resulted in a \$9,700 difference in amortization.
 - b. Smart meter capital of \$648 was reclassified to OM&A from capital due to immateriality.

B. Smart Meter Project

Project Overview

AMI Selection:

24. Based on the London Hydro AMI RFP process, KWHI was awarded the Sensus FlexNet[™] AMI system as the preferred vendor by the Fairness Commissioner (refer to the Attestation Letter of the Fairness Commissioner attached as Appendix A). KWHI and its neighbours in the Waterloo Region were awarded the same AMI technology and so it was able to collaborate and share costs associated with project management, vendor contract negotiations, contract legal review and AMI infrastructure planning with its neighbouring utilities.

<u>Meter Deployment</u>

- 25. KWHI chose to utilize its own metering staff to deploy smart meters at residential customer class multi-unit installations as well as at all GS<50 kW customer class installations. The balance of the mass deployment of smart meters at residential customer class installations was completed by a contractor.
- 26. Based on an RFP process and evaluation, it was determined that Trilliant Inc. (Trilliant) most closely met the requirements for the mass deployment of smart meters. Shortly after Trilliant was selected as the winning proponent, Olameter Inc. (Olameter) acquired Trilliant, resulting in

Olameter providing the meter deployment services. The impact of this ownership change was evaluated and based on the existing relationship between Olameter and KWHI and their performance in the industry. Awarding the contract to Olameter was deemed appropriate by KWHI.

27. The deployment of smart meters by Olameter commenced in late July 2009 and was completed in May 2010. The contractor installed a total of 54,051 smart meters during this period.

<u>Meter Disposal</u>

28. KWHI solicited meter disposal proposals from a number of local recycling contractors. B&T Enterprises (B&T), KWHI's transformer recycling contractor for many years, was selected as the meter disposal contractor. B&T provided storage facilities and bins at the KWHI Service Centre to hold the conventional meters that were changed out and replaced with smart meters. On an on-going basis as smart meter deployment proceeded, B&T recycled the conventional meters at a no-cost option.

Operational Data Store (ODS) Functionality

- 29. With the implementation of the AMI system, a need was recognized for an application that supported full integration with the MDM/R and enabled staff to audit, validate, interact with and gain valuable business information from the wealth of meter data that was being collected. The AMI system, while fully capable of collecting meter read data and forwarding that raw data to the MDM/R, does not provide all of the functionality necessary to interpret and/or leverage the information it is providing in an educated and meaningful fashion.
- 30. An RFP was issued for an operational data store (ODS) in November 2008. Following the RFP process, shortlisted vendors delivered software demonstrations, leading to the selection of Kinetiq Canada Inc. (Kinetiq) as the preferred vendor with their ODS application.
- 31. The primary requirements and features of the operational data store (ODS) are:

a) **Dashboard of Field Issues Possibly Requiring Intervention** - Dashboard visibility to the real-time performance of the smart meter system to assist staff in troubleshooting such issues as non-communicating meters, non-communicating tower gateways/collectors, etc.

b) **AMI SLA Audit** - Audit and reporting / real-time notification capabilities to monitor AMI performance and therefore ensure that data collection and submission service-level agreements (SLAs) with the centralized MDM/R are consistently met.

c) **Read Re-submission** - The ODS provides a data repository to facilitate backfilling reads after a meter installation, front-filling reads after a meter removal, and replacing reads labeled as NVE (Needs Verification or Edit) by the IESO MDM/R system. The ODS provides a mechanism for meter data editing and VEE (Validation, Estimation and Editing) processes (in keeping with the MDM/R specifications), such data can then be re-submitted to the MDM/R. Features such as "register read validation failure resolution" is invaluable.

d) **IESO MDM/R Report Integration / Issue Resolution Automation** - The MDM/R produces a large volume of reports on a daily basis each potentially containing large amounts of information. Kinetiq downloads the MDM/R reports, and filter the information they provide in order to provide manageable, meaningful action items that can be prioritized, investigated and resolved.

e) **Meter Event Monitoring** - Dashboard visibility to report meter events and indicators such a outages, restorations, tampers, voltage changes, etc., many of which will afford the opportunity to improve the safety and reliability of the distribution system.

f) **Revenue Protection** – LDCs will be able to identify and respond to meter tampers which historically would have resulted in unidentified theft of power.

g) **Outage Reporting** - Real-time outage information to facilitate faster response time, and therefore improved system reliability.

Business Process Redesign

32. Due to the significant knowledge and understanding required for the success of this initiative, KWHI contracted with Util-Assist to assist with the integration to TOU pricing. The Util-Assist team, along with senior KWHI staff, developed a cohesive plan to identify and define all tasks associated with the transition to TOU billing. Initially staff was required to comprehend the design specifications of the MDM/R to prepare the back-end infrastructure for the cutover. Further business processes such as meter changes, final billing, account transfers, meter installations and service terminations were redefined to ensure optimal synchronization with the MDM/R.

System Changes

33. KWHI uses an internally designed and programmed Customer Information System (CIS) which includes facilities for meter reading and customer bill preparation. The deployment of smart meters, which commenced in 2009, necessitated significant changes to this system. Custom work force management programming was developed to assist in deployment schedule management and geographic grid co-ordination. Automated processes were used to migrate the billing of

customer accounts based on manual meter register readings to bills based on automated register readings from the Sensus Automated Metering Infrastructure (AMI) network as the population of deployed smart meters increased and the validity of automated readings was verified. In conjunction with the smart meter initiative, a billing system design for time-of-use (TOU) bill preparation was developed, programmed, tested, and implemented. Conversion of customers by billing cycle to TOU billing was initiated in June 2011 in compliance with the conversion schedule published by the IESO. The first TOU bills were produced in August and the conversion of customers with eligible smart meters to TOU was completed in October. TOU billing processes were designed to include register readings on the customer bill in advance of the MDM/R's 2012 implementation of Energy IP v7.2, which implements this Measurement Canada requirement in the new XML based bill quantity request / response protocol.

Integration with MDM/R

34. Preparations for MDM/R enrolment proceeded during 2010 with the implementation of the required AS2 network security protocol for data transmission. This security standard is used for all data transfers between the Sensus controlled AMI, the IESO's MDM/R, the Savage Data Systems ODS and the KWHI CIS. Initial connectivity testing with the MDM/R was completed and the process to request and assign Universal Service Delivery Point (USDP) identifiers to each service within our territory was completed. Unit testing of individual MDM/R transaction processes started in late 2010 in preparation for formal MDM/R enrolment testing and certification in early 2011. During January and February 2011, KWHI successfully completed the IESO's mandatory System Integration Testing (SIT) and Qualification Testing (QT), which confirmed its ability to interact with the Provincial MDM/R to provide smart meter reading information and receive bill quantity response data. This certification represented a major step forward in its project plans for the implementation of time-of-use (TOU) billing processes later in the year.

Transition to Time of Use Pricing

35. In mid-2009, the Ontario Government articulated an expectation that 1 million RPP customers would be billed using TOU pricing by the summer of 2010, rising to 3.6 million customers by June 2011. On June 24, 2010, the Ontario Energy Board issued a proposed determination regarding mandated time-of-use pricing for regulated price plan customers (EB-2010-0218),

suggesting that distributor-specific TOU dates would be the most appropriate approach as it allows for the deadline to logically follow MDM/R enrolment activities.

- 36. In a letter dated August 4, 2010, the OEB provided direction to all LDCs on mandated dates in which each distributor must bill RPP customers that have eligible TOU meters using TOU pricing.
- 37. KWHI's mandated date for TOU billing was June 1, 2011 for all residential and GS<50kW customers. KWHI confirms that eligible residential customers were converted to TOU billing commencing the first day of their next billing cycle following the mandated date.
- 38. On June 14, 2011, KWHI filed an application to the OEB for an Extension to Mandated Time-of-Use Pricing Date for its General Service<50kW customers based on a technical issue with a certain meter type (EB-2011-0239). In its Decision dated August 23, 2011, the OEB issued an exemption to the mandatory date for customers with affected meters with the exemption to expire January 31, 2012. In addition, the Board ordered KWHI to apply TOU pricing for customers in its General Service<50kW customer class with functioning eligible time-of-use meters as soon as possible, with implementation beginning no later than October 1, 2011. KWHI confirms that eligible General Service<50kW customers were converted to TOU billing commencing the first day of their next billing cycle following the mandated date(s).</p>

Customer Education

- 39. In the early stages of conversion to TOU, KWHI developed a customer communication plan to create consistent well-defined messages to our customers around smart meters and TOU electricity pricing. KWHI developed communication milestones that mirrored the appropriate stage of the TOU initiative.
- 40. When the smart meter was installed a package was left with each customer containing a book on "Getting Smart about Smart Meters", a "Q&A pamphlet on Smart Meters and the Door-to-Door Salesperson" and an information notice informing the customer the meter installed and what the next steps were. Prior to the TOU conversion, customers received a billing insert "Time-of-Use Rates are Coming Soon". Approximately two weeks prior to their first TOU bill, customers received individually addressed letters advising them of the upcoming change and the actual date

of conversion. Included with the letters was an insert detailing the price periods. Customers received a bill insert "Getting the Most out of Time-of-Use Rates" with their second billing after the conversion. Information was placed on our website explaining Time-of-Use pricing along with frequently asked questions. Full page articles were published in both the 2011 Spring/Summer and Fall/Winter "Natural Comforts" joint magazine of Kitchener-Wilmot Hydro and Kitchener Utilities.

Web Presentment

41. An enhancement to the KWHI web site to provide the facility for customers to view their smart meter energy consumption was launched during October 2011. This functionality is provided by a third party software application that was purchased after a detailed review of competitive offerings.

Capital & Operating Costs

- 42. KWHI's smart meter application is requesting recovery for the 86,991 smart meters installed in its service territory during the smart meter initiatives. As of December 31, 2011, only 8 Smart meter installations were remained outstanding. Due to the immateriality of the remaining smart meter installs for 2012, the capital costs included in the smart meter model only extend to December 31, 2011 and do not include the costs for last remaining installs scheduled for 2012. All historical costs reported in the smart meter model have been audited.
- 43. Table 7 below illustrates the various cost components of KWHI's smart meter program:

Table 7 - Smart Meter Cost Components

Capital	
1.1 - Advanced Metering Communication Device (AMCD)	11,522,599
1.2 - Advanced Metering Regional Collector (AMRC) (includes LAN)	696,107
1.3 - Advanced Metering Control Computer (AMCC)	403,955
1.4 - Wide Area Network (WAN)	-
1.5 - Other AMI Capital Costs Related to Minimum Functionality	424,887
1.6 - Capital Costs Beyond Minimum Functionality	335,322
Total Capital Costs	13,382,870
OM&A	
2.1 - Incremental AMCD	218,172
2.2 - Incremental AMRC	606,105
2.3 - Incremental AMCC	43,479
2.4 - Incremental AMRC	-
2.5 - Other AMI OM&A Costs Related to Minimum Functionality	23,930
2.6 - OM&A Costs Beyond Minimum Functionality	537,777
Total OM&A Costs	1,429,463

44. Capital and OM&A costs relating to new (growth) smart meter installs post – 2011 have not been included for recovery in this application. KWHI will include any costs beyond the period of this application as part of its 2014 Cost of Service application.

Incremental Cost Savings

45. KWHI's Operating Costs have increased due to the installation of Smart Meters, but certain cost savings have resulted due to the implementation of smart meters, namely the manual meter reading costs. Reduced costs resulting from the smart meter program have not been reflected in the smart meter model as KWHI had already built the reductions into its distribution expenses upon its last Cost of Service Rate application in 2010 (EB-2009-0267); thus all cost increases are truly incremental.

<u>Minimum Functionality</u>

- 46. KWHI has incurred the following necessary costs which exceed minimum functionality:
 - a. CIS changes for TOU rate implementation(ODS) Capital
 - b. Web presentment OM&A
 - c. Customer communication OM&A
 - d. Integration with the MDM/R OM&A

- 47. All the costs claimed are purely incremental and have been incurred solely for the purpose of implementing the smart meter and TOU programs.
- 48. Table #'s 8 and 9 below provides the details of costs exceeding minimum functionality for both Capital & OM&A:

Table 8 - Capital Costs Exceeding Minimum Functionality

	2009	2010	2011	2012	2013	Total
CIS System Changes (ODS)	124,649	56,047	154,626	-	-	335,322

Table 9 - OM&A Costs Exceeding Minimum Functionality

	2009	2010	2011	2012	2013	Total
Customer Communication	24,125	1,500	74,521			100,146
MDM/R Integration & Training	924	27	605			1,556
Web Presentation		5,805	3,312			9,117
ODS Fees			155,328	127,630	130,000	412,958
	25,049	7,332	233,766	127,630	130,000	523,777

Customer Owned Equipment

49. The Board directed, in the Combined Smart Meter Proceeding (EB-2004-0063), that the actual material and part costs to repair or replace any customer owned equipment shall be expensed and also tracked separately in a different sub-account of the Smart Meter OM&A Variance Account 1556. KWHI presents its OM&A costs to customer owned equipment below in Table #10:

Table 10 - Customer Owned Equipment Expenses

	Residential	GS<50	Total
2009	29,740	4,746	34,486
2010	36,807	5,873	42,681
2011	3,861	616	4,477
2012	720	115	834
	71,128	11,350	82,478

Funding Adder Allocation

- 50. In the Board's Decision on PowerStream Inc. (EB-2011-0128), it stated "The Board directs PowerStream to allocate the smart meter adder amounts collected from the GS>50 kW and Large Use customer classes evenly to the residential and GS<50 kW classes when calculating the true-up for the SMDR".
- 51. KWHI has allocated the funding adder revenues in accordance with the Board's Decision. The detail is presented below:

	Residential	GS<50KW	GS>50KW	Large User	Total
2006	154,446	15,233	2,226	9	171,914
2007	237,153	22,962	3,291	12	263,418
2008	242,781	23,489	3,293	13	269,576
2000	681.586	66,414	9,104	24	757,128
2010	926,285	89,144	11,867	16	1.027.313
2011	1,473,878	146.944	18,555	31	1,639,408
2012	918,150	81,289	9,538	20	1,008,998
Subtotal	4,634,280	445,475	57,873	125	5,137,754
Split	28,999	28,999	57,998		Amount to Split
Total	4,663,279	474,474			

Table 11 - Smart Meter Funding Adder Revenue excl. Carrying Charges

Table 12 - Smart Meter Funding Adder Revenue incl. Carrying Charges

	Residential	GS<50KW	Interest	Residential	GS<50KW
2006	154,446	15,233	2,328	2,113	215
2007	237,153	22,962	14,036	12,740	1,296
2008	242,781	23,489	21,787	19,775	2,012
2009	681,586	66,414	9,741	8,841	900
2010	926,285	89,144	16,200	14,704	1,496
2011	1,473,878	146,944	45,859	41,624	4,235
2012	918,150	81,289	58,861	53,425	5,436
Subtotal	4,634,280	445,475	168,812	153,222	15,590
Split	28,999	28,999		4,663,279	474,474
Total	4,663,279	474,474		4,816,502	490,064

Cost Allocation

52. KWHI has tracked the installed cost of smart meters specifically by rate class through the use of work orders in its ERP system and the identification of smart meter types through its smart meter purchases. See Tables 13 through 15 below for detail.

Capital Costs	20	08	20	09	20	2010		11	20	12	2013		To	tal
Capital Costs	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50
Smart Meter Capital Cost,														
Including Costs Exceeding	\$ 293,114	\$ 36,858	\$ 5,985,648	\$ 1,204,657	\$ 2,888,536	\$ 1,776,200	\$ 362,600	\$ 835,257	\$-	\$-	\$-	\$-	\$ 9,529,897	\$ 3,852,973
Minimum Functionality														
Less: Capital Costs Exceeding	¢	¢	\$ 88,762	\$ 35,887	\$ 39,911	\$ 16.136	\$ 110.109	\$ 44.517	¢	\$	¢	\$.	\$ 238,782	\$ 96,540
Minimum Functionality	φ -	φ -	φ 00,702	φ 35,007	φ 39,911	φ 10,130	\$ 110,109	φ 44,517	φ -	φ -	φ -	φ -	φ 230,762	φ 90,540
Smart Meter Capital Cost,														
Excluding Costs Exceeding	\$ 293,114	\$ 36,858	\$ 5,896,886	\$ 1,168,770	\$ 2,848,625	\$ 1,760,064	\$ 252,491	\$ 790,740	\$-	\$-	\$-	\$-	\$ 9,291,115	\$ 3,756,433
Minimum Functionality														
Number of Smart Meters Installed	I												79384	7607
Capital Cost, Excluding Costs														
Exceeding Minimum													\$ 117.04	\$ 493.81
Functionality														

Table 13 - Capital Cost Allocated by Rate Class (based on Installed Cost per Class)

Table 14 - OM&A Cost Allocated by Rate Class (based on # of Meters per Class)

OM&A Costs	20	08	20	09	2010		2011		2012		2013		Το	tal
OMAA COSIS	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50
Smart Meter OM&A Cost, Including Costs Exceeding Minimum Functionality	\$-	\$ -	\$ 148,409	\$ 14,221	\$ 148,221	\$ 14,203	\$ 371,335	\$ 35,583	\$ 321,666	\$ 30,824	\$ 314,831	\$ 30,169	\$ 1,304,462	\$ 125,001
Less: OM&A Cost Exceeding Minimum Functionality	\$-	\$ -	\$ 22,859	\$ 2,190	\$ 6,691	\$ 641	\$ 213,324	\$ 20,442	\$ 116,469	\$ 11,161	\$ 131,408	\$ 12,592	\$ 490,751	\$ 47,026
Smart Meter OM&A Cost, Excluding Costs Exceeding Minimum Functionality	\$-	\$ -	\$ 125,551	\$ 12,031	\$ 141,530	\$ 13,562	\$ 158,011	\$ 15,142	\$ 205,196	\$ 19,663	\$ 183,423	\$ 17,577	\$ 813,712	\$ 77,974
Number of Smart Meters Installed	k												79384	7607
OM&A Costs, Excluding Costs Exceeding Minimum Functionality													\$ 10.25	\$ 10.25

Table 15 - Total Cost Allocated by Rate Class

OM&A Costs	20	08	20	09	2010		2011		2012		2013		То	tal
Cillida Costs	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50	Residential	GS<50
Smart Meter Total Cost, Including Costs Exceeding Minimum Functionality	\$ 293,114	\$ 36,858	\$ 6,134,057	\$ 1,218,878	\$ 3,036,756	\$ 1,790,404	\$ 733,935	\$ 870,841	\$ 321,666	\$ 30,824	\$ 314,831	\$ 30,169	\$10,834,359	\$ 3,977,974
Less: Total Cost Exceeding Minimum Functionality	\$ -	\$ -	\$ 111,621	\$ 38,077	\$ 46,601	\$ 16,777	\$ 323,433	\$ 64,959	\$ 116,469	\$ 11,161	\$ 131,408	\$ 12,592	\$ 729,532	\$ 143,567
Smart Meter Total Cost, Excluding Costs Exceeding Minimum Functionality	\$ 293,114	\$ 36,858	\$ 6,022,436	\$ 1,180,801	\$ 2,990,155	\$ 1,773,627	\$ 410,502	\$ 805,881	\$ 205,196	\$ 19,663	\$ 183,423	\$ 17,577	\$10,104,827	\$ 3,834,407
Number of Smart Meters Installe	d												79384	7607
Total Costs, Excluding Costs Exceeding Minimum Functionality													\$ 127.29	\$ 504.06

Smart Meter Disposition Rate Rider (SMDR)

- 53. As previously noted, capital costs to December 31, 2011 have been included in the smart meter model. The number of customers used in the model is the December 31, 2011 number reported to the Board.
- 54. The WACC and tax rates (with the exception of 2012 and 2013) used in the smart meter model match those approved by the Board for KWHI. The tax rates used for 2012 and 2013 are 26.25% and 25.5% respectively and are based on the best information available at the time of this filing.
- 55. KWHI has requested that the SMDR and SMIRR rate riders be effective November 1, 2012 and May 1, 2013 respectively and, as the 2013 smart meter model has been used with the calculation of the rate riders, there is no need for a calculation of foregone revenue. The updated smart meter model handles these calculations appropriately.
- 56. The value of the SMDR is based on the net amount resulting from:
 - a. Deferred & forecasted Smart Meter Incremental Revenue Requirement from 2008 to December 31, 2012

PLUS

 b. Interest on Deferred and forecasted OM&A and Amortization Expenses 2008 to October 31, 2012

LESS

- c. SMFA Revenues collected (including carrying charges) and forecast from May 1, 2006 to October 31, 2012
- 57. The rate class-specific SMDR calculations are presented below in Tables 16 to 19:

	Return	Amortization	OM&A	Interest	Revenue Requirement excl. PILS	PILs	Revenue Requirement incl. PILS	SMFA Revenue incl Interest	Net Revenue Requirement
Revenue Requirement 2006	-	-	-	-	-	-	-	(174,242)	(174,242)
Revenue Requirement 2007	-	-	-	-	-	-	-	(277,455)	(277,455)
Revenue Requirement 2008	11,798	5,636	-	56	17,489	(18,650)	(1,161)	(291,363)	(292,524)
Revenue Requirement 2009	276,098	218,366	162,631	1,775	658,870	(237,374)	421,497	(766,868)	(345,371)
Revenue Requirement 2010	674,562	850,150	162,424	37,395	1,724,531	(305,173)	1,419,358	(1,043,513)	375,845
Revenue Requirement 2011	828,973	861,139	406,919	253,047	2,350,078	(306,718)	2,043,360	(1,685,267)	358,093
Revenue Requirement 2012	801,902	1,061,032	352,490	487,478	2,702,902	(97,171)	2,605,731	(1,067,858)	1,537,873
Revenue Requirement Total	2,593,333	2,996,323	1,084,463	779,751	7,453,871	(965,086)	6,488,785	(5,306,566)	1,182,219
Metered Customers									86,991
SMDR - Recovery Period November 1, 2012-April 30, 2014									0.7550

Table 16 - Smart Meter Disposition Rider

Table 17 - Smart Meter Disposition Rider - Residential

	Return	Amortization	OM&A	Interest	Revenue Requirement excl. PILS	PILs	Revenue Requirement incl. PILS	SMFA Revenue incl Interest	Net Revenue Requirement
Allocator	Capital Cost	Capital Cost	See Table 14	Capital Cost		RR excl PILs			
Percentage	0.71	0.71		0.71		0.74			
Revenue Requirement 2006	-	-	-	-	-	-	-	(157,676)	(157,676)
Revenue Requirement 2007	-	-	-	-	-	-	-	(251,545)	(251,545)
Revenue Requirement 2008	8,401	4,013	-	40	12,454	(13,825)	(1,371)	(264,209)	(265,580)
Revenue Requirement 2009	196,609	155,498	148,409	1,264	501,780	(175,956)	325,824	(694,991)	(369,167)
Revenue Requirement 2010	480,353	605,389	148,221	26,629	1,260,592	(226,213)	1,034,379	(946,931)	87,448
Revenue Requirement 2011	590,309	613,214	371,335	180,194	1,755,053	(227,358)	1,527,694	(1,524,795)	2,899
Revenue Requirement 2012	571,032	755,558	321,666	347,131	1,995,387	(72,029)	1,923,358	(976,354)	947,003
Revenue Requirement Total	1,846,704	2,133,672	989,631	555,258	5,525,265	(715,381)	4,809,884	(4,816,502)	(6,617)
Metered Customers									79,384
SMDR - Recovery Period November 1, 2012-April 30, 2014									(0.0046)

	Return	Amortization	OM&A	Interest	Revenue Requirement excl. PILS	PILs	Revenue Requirement incl. PILS	SMFA Revenue incl Interest	Net Revenue Requirement
Allocator	Capital Cost	Capital Cost	See Table 14	Capital Cost]	RR excl PILs			
Percentage	0.29	0.29		0.29		0.26			
Revenue Requirement 2006	-	-	-	-	-	-	-	(16,565)	(16,565)
Revenue Requirement 2007	-	-	-	-	-	-	-	(25,910)	(25,910)
Revenue Requirement 2008	3,397	1,623	-	16	5,035	(4,826)	210	(27,154)	(26,944)
Revenue Requirement 2009	79,490	62,868	14,221	511	157,090	(61,418)	95,673	(71,877)	23,795
Revenue Requirement 2010	194,209	244,761	14,203	10,766	463,939	(78,960)	384,979	(96,582)	288,397
Revenue Requirement 2011	238,664	247,925	35,583	72,853	595,025	(79,360)	515,665	(160,472)	355,194
Revenue Requirement 2012	230,870	305,475	30,824	140,347	707,515	(25,142)	682,373	(91,504)	590,869
Revenue Requirement Total	746,629	862,652	94,832	224,493	1,928,606	(249,705)	1,678,900	(490,064)	1,188,836
Metered Customers									7,607
SMDR - Recovery Period November 1, 2012-April 30, 2014									8.6823

Table 18 - Smart Meter Disposition Rider - GS<50

Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

- 58. KWHI requests Board approval for class-specific Smart Meter Incremental Revenue Requirement Rate Rider, effective for one year commencing May 1, 2013, in the following amounts:
 - \$0.5930 per Residential customer per month
 - 4.7369 per GS < 50 kW customer per month
 - a. Detailed calculations are presented below in Tables 19 to 21:

Table 19 - Smart Meter Incremental Revenue Requirement Rate

	Return	Amortization	OM&A	Interest	Revenue Requirement excl. PILS	PILs	Revenue Requirement incl. PILS	SMFA Revenue incl Interest	Net Revenue Requirement
Revenue Requirement 2013	727,013	985,665	345,000	-	2,057,678	1,742	2,059,420	-	2,059,420
Metered Customers		· · · · ·						•	86,991
SMIRR - Recovery Period May 1, 2013-April 30, 2014									1.9728

Table 20 - Smart Meter Incremental Revenue Requirement Rate - Residential

	Return	Amortization	OM&A	Interest	Revenue Requirement excl. PILS	PILs	Revenue Requirement incl. PILS	SMFA Revenue incl Interest	Net Revenue Requirement
Allocator	Capital Cost	Capital Cost	See Table 14	Capital Cost		RR excl PILs			
Percentage	0.71	0.71		0.71					
Revenue Requirement 2012	517,704	701,888	321,666	-	1,541,258	-	1,541,258	(976,354)	564,904
Metered Customers									79,384
SMIRR - Recovery Period									0.5930
May 1, 2013-April 30, 2014									510000

Table 21 - Smart Meter Incremental Revenue Requirement Rate - GS<50</th>

	Return	Amortization	OM&A	Interest	Revenue Requirement excl. PILS	PILs	Revenue Requirement incl. PILS	SMFA Revenue incl Interest	Net Revenue Requirement
Allocator	Capital Cost	Capital Cost	See Table 14	Capital Cost		RR excl PILs			
Percentage	0.29	0.29		0.29					
Revenue Requirement 2012	209,310	283,776	30,824	-	523,909	-	523,909	(91,504)	432,405
Metered Customers									7,607
SMIRR - Recovery Period									4.7369
May 1, 2013-April 30, 2014									4.7303

Bill Impacts

59. Due to the timing difference between the two smart meter specific rate riders, KWHI's affected customers will experience two different bill impacts. The initial bill impact will occur on November 1, 2012 when the SMDR becomes effective and the second bill impact will occur on May 1, 2013 when KWHI begins billing the SMIRR to its customers. Bill impacts have thus been separated into two different time periods in order to show the bill impacts at the two different dates (see details attached).

Name of LDC:	Kitchener-Wilmot Hydro Inc.
File Number:	EB-2012-###
Effective Date:	November 1, 2012

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied Rate
Service Charge	\$	9.69000	9.69000
Service Charge Rate Adder(s)	\$	-	(0.00460)
Distribution Volumetric Rate	\$/kWh	0.01720	0.01720
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	-	-
Distribution Volumetric Rate Rider(s)	\$/kWh	(0.00107)	(0.00107)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00670	0.00670
Retail Transmission Rate – Line & Transformation Connection Service Rate	\$/kWh	0.00150	0.00150
Wholesale Market Service Rate	\$/kWh	0.00520	0.00520
Rural Rate Protection Charge	\$/kWh	0.00110	0.00110
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25000	0.25000

Consumption	800	kWh	-	kW		Loss Factor	1.0320		
Residential	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy On Peak (kWh)	148.61	0.1170	17.39	148.61	0.1170	17.39	-	0.0%	14.38%
Energy Mid Peak (kWh)	148.61	0.1000	14.86	148.61	0.1000	14.86	-	0.0%	12.29%
Energy Off Peak (kWh)	528.38	0.0650	34.34	528.38	0.0650	34.34	-	0.0%	28.40%
Sub-Total: Energy			66.59			66.59	-	0.0%	55.07%
Service Charge	1	9.69	9.69	1	9.6900	9.69	-	0.0%	8.01%
Service Charge Rate Adder(s)	1	-	-	1	(0.0046)	-	-	0.0%	0.00%
Service Charge Rate Rider(s)	1	-	-	1	-	-	-	0.0%	0.00%
Distribution Volumetric Rate	800	0.0172	13.76	800	0.0172	13.76	-	0.0%	11.38%
Distribution Volumetric Rate Adder(s)	800	-	-	800	-	-	-	0.0%	0.00%
Low Voltage Volumetric Rate	800	-	-	800	-	-	-	0.0%	0.00%
Distribution Volumetric Rate Rider(s)	800	(0.00107)	(0.86)	800	(0.00107)	(0.86)	-	0.0%	-0.71%
Total: Distribution			22.59			22.59	-	0.0%	18.68%
Retail Transmission Rate – Network Service Rate	826	0.0067	5.53	826	0.0067	5.53	-	0.0%	4.57%
Retail Transmission Rate – Line & Transformation Connection Service Rate	826	0.0015	1.24	826	0.0015	1.24	-	0.0%	1.03%
Total: Retail Transmission			6.77			6.77	-	0.0%	5.60%
Sub-Total: Delivery (Distribution and Retail Transmission)			29.36			29.36	-	0.0%	24.28%
Wholesale Market Service Rate	826	0.0052	4.29	826	0.0052	4.29	-	0.0%	3.55%
Rural Rate Protection Charge	826	0.0011	0.91	826	0.0011	0.91	-	0.0%	0.75%
Special Purpose Charge	826	-	-	826	-	-	-	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.2500	0.25	1	0.2500	0.25	-	0.0%	0.21%
Sub-Total: Regulatory			5.45			5.45	-	0.0%	4.51%
Debt Retirement Charge (DRC)	800	0.0070	5.60	800	0.0070	5.60	-	0.0%	4.63%
Total Bill before Taxes			107.00			107.00	-	0.0%	88.50%
HST	107.00	13%	13.91	107.00	13%	13.91	-	0.0%	11.50%
Total Bill			120.91			120.91	-	0.0%	100.00%
Ontario Clean Energy Benefit (OCEB)	120.91	-10%	(12.09)	120.91	-10%	(12.09)	-	0.0%	
Total Bill (less OCEB)			108.82			108.82	-	0.0%	

Name of LDC:Kitchener-Wilmot Hydro Inc.File Number:EB-2012-###Effective Date:May 1, 2013

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied Rate
Service Charge	\$	9.69000	9.69000
Service Charge Rate Adder(s)	\$	(0.00460)	0.58840
Distribution Volumetric Rate	\$/kWh	0.01720	0.01720
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	-	-
Distribution Volumetric Rate Rider(s)	\$/kWh	(0.00107)	(0.00107)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00670	0.00670
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00150	0.00150
Wholesale Market Service Rate	\$/kWh	0.00520	0.00520
Rural Rate Protection Charge	\$/kWh	0.00110	0.00110
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25000	0.25000

Consumption	800	kWh	-	kW		Loss Factor	1.0320		
Residential	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy On Peak (kWh)	148.61	0.1170	17.39	148.61	0.1170	17.39	-	0.0%	14.30%
Energy Mid Peak (kWh)	148.61	0.1000	14.86	148.61	0.1000	14.86	-	0.0%	12.22%
Energy Off Peak (kWh)	528.38	0.0650	34.34	528.38	0.0650	34.34	-	0.0%	28.24%
Sub-Total: Energy			66.59			66.59	-	0.0%	54.77%
Service Charge	1	9.69	9.69	1	9.6900	9.69	-	0.0%	7.97%
Service Charge Rate Adder(s)	1	(0.00)	-	1	0.5884	0.59	0.59	100.0%	0.49%
Service Charge Rate Rider(s)	1	-	-	1	-	-	-	0.0%	0.00%
Distribution Volumetric Rate	800	0.0172	13.76	800	0.0172	13.76	-	0.0%	11.32%
Distribution Volumetric Rate Adder(s)	800	-	-	800	-	-	-	0.0%	0.00%
Low Voltage Volumetric Rate	800	-	-	800	-	-	-	0.0%	0.00%
Distribution Volumetric Rate Rider(s)	800	(0.00107)	(0.86)	800	(0.00107)	(0.86)	-	0.0%	-0.71%
Total: Distribution			22.59			23.18	0.59	2.5%	19.07%
Retail Transmission Rate – Network Service Rate	826	0.0067	5.53	826	0.0067	5.53	-	0.0%	4.55%
Retail Transmission Rate – Line and Transformation Connection Service Rate	826	0.0015	1.24	826	0.0015	1.24	-	0.0%	1.02%
Total: Retail Transmission			6.77			6.77	-	0.0%	5.57%
Sub-Total: Delivery (Distribution and Retail Transmission)			29.36			29.95	0.59	2.0%	24.63%
Wholesale Market Service Rate	826	0.0052	4.29	826	0.0052	4.29	-	0.0%	3.53%
Rural Rate Protection Charge	826	0.0011	0.91	826	0.0011	0.91	-	0.0%	0.75%
Special Purpose Charge	826	-	-	826	-	-	-	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.2500	0.25	1	0.2500	0.25	-	0.0%	0.21%
Sub-Total: Regulatory			5.45			5.45	-	0.0%	4.48%
Debt Retirement Charge (DRC)	800	0.0070	5.60	800	0.0070	5.60	-	0.0%	4.61%
Total Bill before Taxes			107.00			107.59	0.59	0.5%	88.49%
HST	107.00	13%	13.91	107.59	13%	13.99	0.08	0.6%	11.51%
Total Bill			120.91			121.58	0.67	0.6%	100.00%
Ontario Clean Energy Benefit (OCEB)	120.91	-10%	(12.09)	121.58	-10%	(12.16)	(0.07)	0.6%	
Total Bill (less OCEB)			108.82			109.42	0.60	0.5%	

Name of LDC:Kitchener-Wilmot Hydro Inc.File Number:EB-2012-###Effective Date:November 1, 2012

General Service Less Than 50kW

Monthly Rates and Charges	Metric	Current Rate	Applied Rate
Service Charge	\$	25.54000	25.54000
Service Charge Rate Adder(s)	\$	-	8.68230
Distribution Volumetric Rate	\$/kWh	0.01230	0.01230
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	-	-
Distribution Volumetric Rate Rider(s)	\$/kWh	(0.00077)	(0.00077)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00580	0.00580
Retail Transmission Rate – Line & Transformation Connection Service Rate	\$/kWh	0.00140	0.00140
Wholesale Market Service Rate	\$/kWh	0.00520	0.00520
Rural Rate Protection Charge	\$/kWh	0.00110	0.00110
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25000	0.25000

Consumption	2,000	kWh	-	kW		Loss Factor	1.0320		
General Service Less Than 50kW	Volume RATE CHARGE \$		Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill	
Energy On Peak (kWh)	371.52	0.1170	43.47	371.52	0.1170	43.47	-	0.0%	14.47%
Energy Mid Peak (kWh)	371.52	0.1000	37.15	371.52	0.1000	37.15	-	0.0%	12.37%
Energy Off Peak (kWh)	1,320.96	0.0650	85.86	1,320.96	0.0650	85.86	-	0.0%	28.58%
Sub-Total: Energy			166.48			166.48	-	0.0%	55.41%
Service Charge	1	25.5400	25.54	1	25.5400	25.54	-	0.0%	8.50%
Service Charge Rate Adder(s)	1	-	-	1	8.6823	8.68	8.68	100.0%	2.89%
Service Charge Rate Rider(s)	1	-	-	1	-	-	-	0.0%	0.00%
Distribution Volumetric Rate	2,000	0.0123	24.60	2,000	0.0123	24.60	-	0.0%	8.19%
Distribution Volumetric Rate Adder(s)	2,000	-	-	2,000	-	-	-	0.0%	0.00%
Low Voltage Volumetric Rate	2,000	-	-	2,000	-	-	-	0.0%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	(0.0008)	(1.54)	2,000	(0.0008)	(1.54)	-	0.0%	-0.51%
Total: Distribution			48.60			57.28	8.68	15.2%	19.07%
Retail Transmission Rate – Network Service Rate	2,064	0.0058	11.97	2,064	0.0058	11.97	-	0.0%	3.98%
Retail Transmission Rate – Line and Transformation Connection Service R	2,064	0.0014	2.89	2,064	0.0014	2.89	-	0.0%	0.96%
Total: Retail Transmission			14.86			14.86	-	0.0%	4.95%
Sub-Total: Delivery (Distribution and Retail Transmission)			63.46			72.14	8.68	12.0%	24.01%
Wholesale Market Service Rate	2,064	0.0052	10.73	2,064	0.0052	10.73	-	0.0%	3.57%
Rural Rate Protection Charge	2,064	0.0011	2.27	2,064	0.0011	2.27	-	0.0%	0.76%
Special Purpose Charge	2,064	-	-	2,064	-	-	-	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.2500	0.25	1	0.2500	0.25	-	0.0%	0.08%
Sub-Total: Regulatory			13.25			13.25	-	0.0%	4.41%
Debt Retirement Charge (DRC)	2,000	0.0070	14.00	2,000	0.0070	14.00	-	0.0%	4.66%
Total Bill before Taxes			257.19			265.87	8.68	3.3%	88.50%
HST	257.19	13%	33.43	265.87	13%	34.56	1.13	3.3%	11.50%
Total Bill			290.62			300.43	9.81	3.3%	100.00%
Ontario Clean Energy Benefit (OCEB)	290.62	-10%	(29.06)	300.43	-10%	(30.04)	(0.98)	3.3%	
Total Bill (less OCEB)			261.56			270.39	8.83	3.3%	

Name of LDC:Kitchener-Wilmot Hydro Inc.File Number:EB-2012-###Effective Date:May 1, 2013

General Service Less Than 50kW

Monthly Rates and Charges	Metric	Current Rate	Applied Rate
Service Charge	\$	25.54000	25.54000
Service Charge Rate Adder(s)	\$	8.68230	13.41920
Distribution Volumetric Rate	\$/kWh	0.01230	0.01230
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	-	-
Distribution Volumetric Rate Rider(s)	\$/kWh	(0.00077)	(0.00077)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00580	0.00580
Retail Transmission Rate – Line & Transformation Connection Service Rate	\$/kWh	0.00140	0.00140
Wholesale Market Service Rate	\$/kWh	0.00520	0.00520
Rural Rate Protection Charge	\$/kWh	0.00110	0.00110
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25000	0.25000

Consumption	2,000	kWh	-	kW		Loss Factor	1.0320		
General Service Less Than 50kW	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy On Peak (kWh)	371.52	0.1170	43.47	371.52	0.1170	43.47	-	0.0%	14.22%
Energy Mid Peak (kWh)	371.52	0.1000	37.15	371.52	0.1000	37.15	-	0.0%	12.15%
Energy Off Peak (kWh)	1,320.96	0.0650	85.86	1,320.96	0.0650	85.86	-	0.0%	28.08%
Sub-Total: Energy			166.48			166.48	-	0.0%	54.44%
Service Charge	1	25.5400	25.54	1	25.5400	25.54	-	0.0%	8.35%
Service Charge Rate Adder(s)	1	8.6823	8.68	1	13.4192	13.42	4.74	35.3%	4.39%
Service Charge Rate Rider(s)	1	-	-	1	-	-	-	0.0%	0.00%
Distribution Volumetric Rate	2,000	0.0123	24.60	2,000	0.0123	24.60	-	0.0%	8.04%
Distribution Volumetric Rate Adder(s)	2,000	-	-	2,000	-	-	-	0.0%	0.00%
Low Voltage Volumetric Rate	2,000	-	-	2,000	-	-	-	0.0%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	(0.0008)	(1.54)	2,000	(0.0008)	(1.54)	-	0.0%	-0.50%
Total: Distribution			57.28			62.02	4.74	7.6%	20.28%
Retail Transmission Rate – Network Service Rate	2,064	0.0058	11.97	2,064	0.0058	11.97	-	0.0%	3.91%
Retail Transmission Rate – Line and Transformation Connection Service R	2,064	0.0014	2.89	2,064	0.0014	2.89	-	0.0%	0.95%
Total: Retail Transmission			14.86			14.86	-	0.0%	4.86%
Sub-Total: Delivery (Distribution and Retail Transmission)			72.14			76.88	4.74	6.2%	25.14%
Wholesale Market Service Rate	2,064	0.0052	10.73	2,064	0.0052	10.73	-	0.0%	3.51%
Rural Rate Protection Charge	2,064	0.0011	2.27	2,064	0.0011	2.27	-	0.0%	0.74%
Special Purpose Charge	2,064	-	-	2,064	-	-	-	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.2500	0.25	1	0.2500	0.25	-	0.0%	0.08%
Sub-Total: Regulatory			13.25			13.25	-	0.0%	4.33%
Debt Retirement Charge (DRC)	2,000	0.0070	14.00	2,000	0.0070	14.00	-	0.0%	4.58%
Total Bill before Taxes			265.87			270.61	4.74	1.8%	88.50%
HST	265.87	13%	34.56	270.61	13%	35.18	0.62	1.8%	11.50%
Total Bill			300.43			305.79	5.36	1.8%	100.00%
Ontario Clean Energy Benefit (OCEB)	300.43	-10%	(30.04)	305.79	-10%	(30.58)	(0.54)	1.8%	1
Total Bill (less OCEB)			270.39			275.21	4.82	1.8%	

Conclusion

60. KWHI respectfully submits that its smart meter costs (both capital and operating) have been prudently incurred, are fully incremental and have been incurred only to satisfy KWHI's obligation under the Smart Meter Initiative.

V 2.21KWH



Application Contact Information

Name:	Margaret Nanninga	
Title:	Manager of Finance	
Phone Number:	519-749-6177	
Email Address:	mnanninga@kwhydro.on.ca	
We are applying for rates effective:	November 1, 2012	
Last COS Re-based Year	2010	

Legend	
DROP-DOWN MENU	ſ
·	
INPUT FIELD	ĺ
CALCULATION FIELD	

Copyright

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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.



Kitchener-Wilmot Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A costs in revenue requirement.

For 2012, distributors that have completed their deployments by the end of 2011 are not expected to enter any capital costs. However, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

General Service + 0 SW 2.00 3.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 <			2006	2007	2008	2009	2010	2011	2012	2013	Total
Additional distance of the structure of the	Smart Meter Capital Cost and Operational Expense Data		Audited Actual	Forecast	Forecast						
Restard 1394 4.039 5305 1.061 6	Smart Meter Installation Plan										
General Bencha - ShVi	Actual/Planned number of Smart Meters installed during the Calendar Year										
Added Paranet number of Sinsta Meter Installators Completed 0.00% 0.00% 2.27% 53.30% 96.44% 100.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00	Residential				1,974	42,389	33,525	1,496	2		79386
Percentage of Residential and GS + 0.00 Windle Match Installations Completed 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	General Service < 50 kW					2,027	3,979	1,601	6		7613
Adder Ander	Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)		0	0	1974	44416	37504	3097	8	0	86991
Other please sharehy Image: Control of Sinst Moders Installed or planned to be installed Image: Control of Sinst Moders Installed or planned to be installed Image: Control of Sinst Moders Installed or planned to be installed Image: Control of Sinst Moders Installed or planned to be installed Image: Control of Sinst Moders Installed or planned to be installed Image: Control of Sinst Moders Installed	Percentage of Residential and GS < 50 kW Smart Meter Installations Completed		0.00%	0.00%	2.27%	53.33%	96.44%	100.00%	0.00%	100.01%	100.00%
Total Autolet of Shrant Matter and alleled to be intabled 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Actual/Planned number of GS > 50 kW meters installed										0
1 Capital Costs Assit Type 1.1.3 Under Actual Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.1.3 Under Actual Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.2.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Under Advanced Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Computer Fadvance Since Type 1.3.3 Computer Metering Regional Colector (MRC) (includes LAM) Since Type 1.3.3 Computer Fadvance Since Type 1.3.3 Computer Fadvance Since Type 1.	Other (please identify)										0
A DAVANCED METERING COMMUNICATION DEVICE (AMCC) 1.1.1 Simal Medies (may neuke new member and models, etc.) 1.1.2 Installation Cotts (may neuke new member and models, etc.) 1.1.2 Installation Cotts (may neuke new member and models, etc.) 1.1.3. Workforde Adomain Schware (may neuke heaved), etc.) 1.2. Collectors 1.2. Collectors 1.2. Repeters (may neuke member end mem, etc.) 1.3. Morkforde Adomain America (may neuke heaved), etc.) 1.3. Morkforde Adomain America (may neuke heaved), etc.) 1.3. Jownard Metering Regional Collector (MARC) (neukees LAM) 1.3. Computer Schware (may neuke heaved), etc.) 1.3. Lonputer Schware (may neuke heaved), etc	Total Number of Smart Meters installed or planned to be installed		0	0	1974	44416	37504	3097	8	0	86999
1.1 DVANCED METERING COMMUNICATION DEVICE (AMCD) Audied Actual Audie	1 Capital Costs	Accest Turne									
Li.1.S mart Meters (may include mem enters and modules, etc.) Audited Actual	1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)	Asset type must be									
1.1.3.8 Workforce Automation Hardware (muy include fieldwork handware, enc.) 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5<	1.1.1 Smart Meters (may include new meters and modules, etc.)	calculations	Audited Actual	Audited Actual					Forecast	Forecast	\$ 9,761,182
1.1.3b Workforce Automation Software (may include fieldwork handweski, kancole kandware, etc.) 5 5 231,046 6,001,552 5 4,393,684 5,896,277 5 5 1,522,587 1.2a ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN) Audited Actual Audited A	1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter			81,334	634,533	810,413	235,137			\$ 1,761,417
Total Advanced Metering Communications Devices (AMCD) Image: Computer Software Image: Computer Software </td <td>1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td>	1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)										\$ -
Asset Type 1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAM) Audited Actual Au	1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)										\$ -
1.2 DVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAM) Audited Actual Audited Actual <td>Total Advanced Metering Communications Devices (AMCD)</td> <td></td> <td>ş -</td> <td>\$ -</td> <td>\$ 231,046</td> <td>\$ 6,001,592</td> <td>\$ 4,393,684</td> <td>\$ 896,277</td> <td>\$-</td> <td>\$-</td> <td>\$ 11,522,599</td>	Total Advanced Metering Communications Devices (AMCD)		ş -	\$ -	\$ 231,046	\$ 6,001,592	\$ 4,393,684	\$ 896,277	\$-	\$-	\$ 11,522,599
Audited Actual Audit		Asset Type									
1.2.2 Repeaters (may include nadio licence, etc.) 1.2.3 Installation (may include mater seals and rings, collector computer hardware, etc.) 1.2.3 Installation (may include mater seals and rings, collector (AMRC) (Includes LAN) S S 1.3 ADVANCED METERING CONTROL COMPUTER (AMCC) 1.3.1 Computer Hardware 1.3.2 Computer Software 1.3.2 Computer Software 1.3.2 Computer Software 1.3.2 Computer Software 1.3.3 Computer Software 1.3.4 Computer Software 1.3.2 Computer Software 1.3.3 Computer Software 1.3.4 Computer Software 1.3.2 Computer Software 1.3.3 Computer Software 1.3.4 Computer Software 1.3.5 Computer Software 1.3.6 Computer Software 1.3.7 Computer Software 1.3.8 Computer Software 1.3.9 Computer Software 1.3.1 Computer Software 1.3.1 Computer Software 1.3.9 Computer Software <t< td=""><td></td><td>0.1 5 1</td><td>Audited Actual</td><td>Audited Actual</td><td>Audited Actual</td><td></td><td></td><td>Audited Actual</td><td>Forecast</td><td>Forecast</td><td>6 000 107</td></t<>		0.1 5 1	Audited Actual	Audited Actual	Audited Actual			Audited Actual	Forecast	Forecast	6 000 107
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.) Image: Computer hardware Image: Computer Software Im		Other Equipment				635,601	60,505				
Total Advanced Metering Regional Collector (AMRC) (Includes LAN) S S S S 635,601 S S S 696,107 1.3 ADVANCED METERING CONTROL COMPUTER (AMCC) Asset Type Audited Actual											÷
Asset Type Audited Actual Audited A			-		÷	¢ 635.601	\$ 60 F0F	¢	¢	¢	·
1.3 ADVANCED METERING CONTROL COMPUTER (AMCC) Audited Actual Audi			<u> </u>	<u>ə -</u>	<u> </u>	\$ 633,601	\$ 60,505	<u>ə -</u>	3 -	<u>ə -</u>	\$ 696,107
1.3.1 Computer Hardware Computer Hardware Image: Computer Mardware Image: Computer Mardwar		Asset Type	Audited Actual	Audited Astual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forepost	Forecast	
1.3.2 Computer Software Computer Software 98,926 63,350 2,576 17,842 \$ 182,692 1.3.3 Computer Software Licences & Installation (includes hardware and software) (may include AS/400 disk space, backup and recovery computer, UPS, etc.) Image: Computer Software Ima		Computer Hardware	Audited Actual	Audited Actual	Audited Actual		Audited Actual	Audited Actual	FOIECasi	FUIECasi	\$ 221.261
1.3.3 Computer Software Licences & Installation (includes hardware and software) (may include AS400 disk space, backup and recovery computer, UPS, etc.)	·				08.026		2 5 7 6	17 842			
(may include AS/400 disk space, backup and recovery computer, UPS, etc.)					00,020		2,010				
Total Advanced Metering Control Computer (AMCC) \$ - \$ 98.926 \$ 284.611 \$ 2.576 \$ 17.842 \$ - \$ 403.955	(may include AS/400 disk space, backup and recovery computer, UPS, etc.)		<u> </u>	<u>s</u> -	\$ 98.926	\$ 284.611	\$ 2,576	\$ 17.842	<u> </u>	\$ -	\$ 403,955
	· · · · · · · · · · · · · · · · · · ·		<u> </u>	<u> </u>				<u> </u>	<u> </u>	<u> </u>	
Asset Type		Asset Type									
1.4 WIDE AREA NETWORK (WAN) Audited Actual Audited Actual Audited Actual Audited Actual Audited Actual Audited Actual Forecast Forecast	1.4 WIDE AREA NETWORK (WAN)		Audited Actual	Forecast	Forecast						
1.4.1 Activitation Fees	1.4.1 Activiation Fees										\$-
Total Wide Area Network (WAN)	Total Wide Area Network (WAN)		\$-	\$ -	\$-	\$ -	\$-	\$ -	\$-	\$-	\$ -

	Asset Type								
1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY	Audited Actual	Forecast	Forecast						
1.5.1 Customer Equipment (including repair of damaged equipment)									\$ -
1.5.2 AMI Interface to CIS									\$ -
1.5.3 Professional Fees Smar	rt Meter			19,675					\$ 19,675
1.5.4 Integration									\$ -
1.5.5 Program Management Smar	rt Meter			120,449	151,924	129,112			\$ 401,485
1.5.6 Other AMI Capital Tools	s & Equipment			3,728					\$ 3,728
Total Other AMI Capital Costs Related to Minimum Functionalit	\$ -	\$ -	\$-	\$ 143,851	\$ 151,924	\$ 129,112	\$ -	\$-	\$ 424,887
Total Capital Costs Related to Minimum Functionality	\$ -	\$ -	\$ 329,972	\$ 7,065,655	\$ 4,608,690	\$ 1,043,231	\$ -	\$-	\$ 13,047,548
	Asset Type								
1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY (Please provide a descriptive tile and identify nature of beyond minimum functionality costs)	Audited Actual	Forecast	Forecast						
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.	puter Software			124,649	56,047	154,626			\$ 335,322
Total Capital Costs Beyond Minimum Functionality	\$ -	\$ -	\$-	\$ 124,649	\$ 56,047	\$ 154,626	\$-	\$-	\$ 335,322
Total Smart Meter Capital Costs	\$ -	\$-	\$ 329,972	\$ 7,190,305	\$ 4,664,736	\$ 1,197,857	\$-	\$-	\$ 13,382,870
2 OM&A Expenses									
2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)	Audited Actual	Forecast	Forecast						
2.1.1 Maintenance (may include meter reverification costs, etc.)				55,514	45,180	87,097	30,380	0	\$ 218,172
2.1.2 Other (please specify)									\$ -
Total Incremental AMCD OM&A Costs	\$ -	\$ -	\$-	\$ 55,514	\$ 45,180	\$ 87,097	\$ 30,380	\$-	\$ 218,172
2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)									
2.2.1 Maintenance				69,466	100,806	83,833	168,000	184,000	\$ 606,105
2.2.2 Other (please specifiy)									\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$-	\$ 69,466	\$ 100,806	\$ 83,833	\$ 168,000	\$ 184,000	\$ 606,105
2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)									
2.3.1 Hardware Maintenance (may include server support, etc.)									\$ -
2.3.2 Software Maintenance (may include maintenance support, etc.)							26,479	17,000	\$ 43,479
2.3.2 Other (please specify)									\$ -
Total Incremental AMCC OM&A Costs	\$ -	\$ -	\$-	\$ -	\$ -	\$ -	\$ 26,479	\$ 17,000	\$ 43,479
2.4 WIDE AREA NETWORK (WAN)									
2.4.1 WAN Maintenance									\$ -
2.4.2 Other (please specify)									\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$

Asset Type

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5 OTHER AMI OM&A COST	S RELATED TO MINIMUM FUNCTIONALITY														
2.5.1 Business Process Redes	ign														\$ -
2.5.2 Customer Communication	n (may include project communication, etc.)														\$ -
2.5.3 Program Management															\$ -
2.5.4 Change Management (ma	ay include training, etc.)														\$ -
2.5.5 Administration Costs								12,602		9,106		2,222			\$ 23,930
2.5.6 Other AMI Expenses															\$ -
(please specify) Total Other AMI OM&A Costs	Related to Minimum Functionalit	\$	-	\$-	\$	-	\$	12,602	\$	9,106	\$	2,222	\$ -	\$	\$ 23,930
TOTAL OM&A COSTS RELAT	ED TO MINIMUM FUNCTIONALITY	\$	<u> </u>	\$ -	\$	-	\$	137,582	\$	155,092	\$	173,153	\$ 224,860	\$ 201,000	\$ 891,686
	TO BEYOND MINIMUM FUNCTIONALITY lentify nature of beyond minimum functionality costs)	Audited Ac	ctual	Audited Actual	Audit	ed Actual	Aud	dited Actual	Auc	lited Actual	Aud	ited Actual			
2.6.1 Costs related to technical that exceed those specified in C	capabilities in the smart meters or related communications infrastructure Reg 425/06														\$
2.6.2 Costs for deployment of s and small general service	mart meters to customers other than residential														\$ -
2.6.3 Costs for TOU rate implementation with the MDM/R, etc	nentation, CIS system upgrades, web presentation,							25,049		7,332		233,766	127,630	144,000	\$ 537,777
Total OM&A Costs Beyond Mi	inimum Functionality	\$	-	\$ -	\$	-	\$	25,049	\$	7,332	\$	233,766	\$ 127,630	\$ 144,000	\$ 537,777
Total Smart Meter OM&A Cos	ts	\$	-	\$ -	\$	-	\$	162,631	\$	162,424	\$	406,919	\$ 352,490	\$ 345,000	\$ 1,429,463
3 Aggregate Smart Meter 0	Costs by Category														
3.1	Capital														
3.1.1	Smart Meter	\$	-	\$ -	\$	231,046	\$	6,141,716	\$	4,545,608	\$	1,025,389	\$ -	\$ -	\$ 11,943,758
3.1.2	Computer Hardware	\$	-	\$ -	\$	-	\$	221,261	\$	-	\$	-	\$ -	\$ -	\$ 221,261
3.1.3	Computer Software	\$	-	\$ -	\$	98,926	\$	187,999	\$	58,623	\$	172,468	\$ -	\$ -	\$ 518,017
3.1.4	Tools & Equipment	\$		\$ -	\$	-	\$	3,728	\$	-	\$	-	\$ -	\$ -	\$ 3,728
3.1.5	Other Equipment	\$	-	\$ -	\$	-	\$	635,601	\$	60,505	\$	-	\$ -	\$ -	\$ 696,107
3.1.6	Applications Software	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -
3.1.7	Total Capital Costs	\$	-	\$-	\$	329,972	\$	7,190,305	\$	4,664,736	\$	1,197,857	\$ -	\$ -	\$ 13,382,870
3.2	OM&A Costs														
3.2.1	Total OM&A Costs	\$	-	\$-	\$	-	\$	162,631	\$	162,424	\$	406,919	\$ 352,490	\$ 345,000	\$ 1,429,463



Mario Energy Board **Smart Meter Model**

Kitchener-Wilmot Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012	2013
Cost of Capital	2000	2007	2008	2009	2010	2011	2012	2013
Capital Structure ¹								
Deemed Short-term Debt Capitalization					4.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	55.0%	55.0%	57.5%	60.0%	56.0%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	45.0%	45.0%	42.5%	40.0%	40.0%	40.0%	40.0%	40.0%
Preferred Shares Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
lotal	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital Parameters								
Deemed Short-term Debt Rate					2.07%	2.07%	2.07%	2.07%
Long-term Debt Rate (actual/embedded/deemed) ²	6.00%	6.00%	6.00%	6.00%	5.87%	5.87%	5.87%	5.87%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%	9.85%
Return on Preferred Shares								
WACC	7.35%	7.35%	7.28%	7.20%	7.31%	7.31%	7.31%	7.31%
Working Capital Allowance								
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(% of the sum of Cost of Power + controllable expenses)	10.070	101070	101070	101070	101070	101070	101070	101070
Taxes/PILs								
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%	25.50%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%	0.00%
Depreciation Rates								
(expressed as expected useful life in years)								
Smart Meters - years			15	15	15	15	15	15
- rate (%)	0.00%	0.00%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	0.00%	0.00%	10	10	10	10	10	10
- rate (%)	0.00%	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Computer Software - years - rate (%)	0.00%	0.00%	0.00%	0.00%	33.33%	33.33%	33.33%	33.33%
Tools & Equipment - years	0.0070	0.0070	10	10	10	10	10	10
- rate (%)	0.00%	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years			10	10	10	10	10	10
- rate (%)	0.00%	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CCA Rates								
Smart Meters - CCA Class	8	8	8	8	8	8	8	8
Smart Meters - CCA Rate	20%	20%	20%	20%	20%	20%	20%	20%
	2070	2070	2070	2070	2070	2070	2070	2070
Computer Equipment - CCA Class	50	50	50	50	50	50	50	50
Computer Equipment - CCA Rate	55%	55%	55%	55%	55%	55%	55%	55%
							-	
General Equipment - CCA Class	8	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class	50	50	50	50	50	50	50	50
Applications Software - CCA Rate	55%	55%	55%	55%	55%	55%	55%	55%

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 striaght line basis and has the "half-year" rule applied.



Ontario Energy Board

Smart Meter Model

Kitchener-Wilmot Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012	2013
Net Fixed Assets - Smart Meters								
Gross Book Value								
Opening Balance Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$- \$231,046	\$ 231,046 \$ 6,141,716	\$ 6,372,761 \$ 4,545,608	\$ 10,918,370 \$ 1,025,280	\$ 11,943,758 \$ -	\$ 11,943,758
Retirements/Removals (if applicable)	\$ -	\$ -	\$ 231,046	\$ 6,141,716	\$ 4,545,608	\$ 1,025,389	\$-	\$-
Closing Balance	\$-	\$-	\$ 231,046	\$ 6,372,761	\$ 10,918,370	\$ 11,943,758	\$ 11,943,758	\$ 11,943,758
Accumulated Depreciation								
Opening Balance		\$-	\$-	-\$ 5,636	-\$ 165,579	-\$ 816,710	-\$ 1,584,933	-\$ 2,381,184
Amortization expense during year Retirements/Removals (if applicable)	\$ -	\$ -	-\$ 5,636	-\$ 159,943	-\$ 651,131	-\$ 768,223	-\$ 796,251	-\$ 796,251
Closing Balance	\$-	\$-	-\$ 5,636	-\$ 165,579	-\$ 816,710	-\$ 1,584,933	-\$ 2,381,184	-\$ 3,177,435
Net Book Value								
Opening Balance	\$-	\$ -	\$-	\$ 225.410	\$ 6.207.182	\$ 10,101,659	\$ 10,358,825	\$ 9.562.574
Closing Balance	\$ -	\$ -	\$ 225,410	\$ 6,207,182	\$ 10,101,659	\$ 10,358,825	\$ 9,562,574	\$ 8,766,324
Average Net Book Value	\$ -	\$ -	\$ 112,705	\$ 3,216,296	\$ 8,154,421	\$ 10,230,242	\$ 9,960,700	\$ 9,164,449
Net Fixed Assets - Computer Hardware								
Gross Book Value								
Opening Balance		\$-	\$-	\$-	\$ 221,261	\$ 221,261	\$ 221,261	\$ 221,261
Capital Additions during year (from Smart Meter Costs) Retirements/Removals (if applicable)	\$-	\$-	\$-	\$ 221,261	\$-	\$-	\$-	\$-
Closing Balance	\$-	\$ -	\$ -	\$ 221,261	\$ 221,261	\$ 221,261	\$ 221,261	\$ 221,261
Accumulated Depreciation Opening Balance	\$ -	\$ -	\$-	\$ -	-\$ 11,063	-\$ 33,189	-\$ 55,315	-\$ 77,441
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 11,063	-\$ 22,126	-\$ 22,126	-\$ 22,126	-\$ 22,126
Retirements/Removals (if applicable)								
Closing Balance	\$-	\$-	\$-	-\$ 11,063	-\$ 33,189	-\$ 55,315	-\$ 77,441	-\$ 99,567
Net Book Value								
Opening Balance	\$- \$-	\$- \$-	\$- \$-	\$- \$210,198	\$ 210,198 \$ 199,072	\$ 188,072	\$ 165,946 \$ 143,819	\$
Closing Balance Average Net Book Value	ъ - \$ -	\$ -	ъ - \$ -	\$ 210,198 \$ 105,099	\$ 188,072 \$ 199,135	\$ 165,946 \$ 177,009	\$ 143,819 \$ 154,882	\$ 121,693 \$ 132,756
Net Fixed Assets - Computer Software (including Applications Softw				•,	•	•,		•
Net Fixed Assets - Computer Software (including Applications Softw	alej							
Gross Book Value		•	•	^	^	0 015 5 10	• • • • • • • • • • • • • • • • • •	6 5 10 0 17
Opening Balance Capital Additions during year (from Smart Meter Costs)	\$-	\$- \$-	\$- \$98,926	\$ 98,926 \$ 187,999	\$ 286,926 \$ 58,623	\$ 345,548 \$ 172,468	\$	\$
Retirements/Removals (if applicable)								
Closing Balance	\$-	\$-	\$ 98,926	\$ 286,926	\$ 345,548	\$ 518,017	\$ 518,017	\$ 518,017
Accumulated Depreciation								
Opening Balance	\$-	\$-	\$-	\$-	\$-	-\$ 108,012	-\$ 248,040	-\$ 420,712
Amortization expense during year Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	-\$ 108,012	-\$ 140,028	-\$ 172,672	-\$ 97,305
Closing Balance	\$-	\$ -	\$-	\$ -	-\$ 108,012	-\$ 248,040	-\$ 420,712	-\$ 518,017
Net Book Value Opening Balance	\$ -	s -	\$ -	\$ 98,926	\$ 286,926	\$ 237,536	\$ 269,977	\$ 97,305
	¥ -	*	¥	÷ 00,020	÷ 200,020	÷ 201,000	÷ 200,011	÷ 01,000

Closing Balance	\$ \$	-	\$ \$		\$	98,926	\$	286,926	\$	237,536	\$	269,977	\$	97,305	\$	-
Average Net Book Value	\$	-	\$	-	\$	49,463	\$	192,926	\$	262,231	\$	253,756	\$	183,641	\$	48,652
Net Fixed Assets - Tools and Equipment																
Gross Book Value																
Opening Balance			\$	-	\$	-	\$	-	\$	3,728	\$	3,728	\$	3,728	\$	3,728
Capital Additions during year (from Smart Meter Costs)	\$	-	\$	-	\$	-	\$	3,728	\$	-	\$	-	\$	-	\$	-
Retirements/Removals (if applicable) Closing Balance	\$	-	\$	-	\$	-	\$	3,728	\$	3,728	\$	3,728	\$	3,728	\$	3,728
	Ψ	-	ψ		ψ		ψ	3,720	ψ	3,720	φ	3,720	φ	5,720	ψ	5,720
Accumulated Depreciation																
Opening Balance	\$	-	\$	-	\$	-	\$	-	-\$	155	-\$	528	-\$	901	-\$	1,274
Amortization expense during year	\$	-	\$	-	\$	-	-\$	155	-\$	373	-\$	373	-\$	373	-\$	373
Retirements/Removals (if applicable) Closing Balance	<u> </u>		\$		\$		-\$	155	-\$	528	¢	901	-\$	1,274	-\$	1,646
Closing Balance	\$	-	þ	-	¢	-	-⊅	155	-⊅	526	-\$	901	-⊅	1,274	-⊅	1,040
Net Book Value																
Opening Balance	\$	-	\$	-	\$	-	\$	-	\$	3,573	\$	3,200	\$	2,827	\$	2,454
Closing Balance	\$	-	\$	-	\$	-	\$	3,573	\$	3,200	\$	2,827	\$	2,454	\$	2,081
Average Net Book Value	\$	-	\$	-	\$	-	\$	1,786	\$	3,386	\$	3,013	\$	2,641	\$	2,268
Net Fixed Assets - Other Equipment																
Gross Book Value																
Opening Balance			\$	-	\$	-	\$	-	\$	635,601	\$	696,107	\$	696,107	\$	696,107
Capital Additions during year (from Smart Meter Costs)	\$	-	\$	-	\$	-	\$	635,601	\$	60,505	\$	-	\$	-	\$	
Retirements/Removals (if applicable)																
Closing Balance	\$	-	\$	-	\$		\$	635,601	\$	696,107	\$	696,107	\$	696,107	\$	696,107
Accumulated Depreciation																
Opening Balance	\$	-	\$	-	\$	-	\$	-	-\$	47,204	-\$	115,712	-\$	46,102	-\$	115,712
Amortization expense during year	\$	-	\$	-	\$	-	-\$	47,204	-\$	68,508	\$	69,611	-\$	69,611	-\$	69,611
Retirements/Removals (if applicable)																
Closing Balance	\$	-	\$	-	\$	-	-\$	47,204	-\$	115,712	-\$	46,102	-\$	115,712	-\$	185,323
Net Book Value																
Opening Balance	\$	_	\$	_	\$	_	\$	_	\$	588,397	\$	580,394	\$	650,005	\$	580,394
Closing Balance	э \$	-	э \$	-	э \$		э \$	- 588,397	э \$	580,397	э \$	650,005	э \$	580,394	э \$	510,784
Average Net Book Value	\$	-	\$	-	\$	-	\$	294,199	\$	584,396	\$	615,200	\$	615,200	\$	545,589
-			-						-							



Ontario Energy Board

Smart Meter Model

Kitchener-Wilmot Hydro Inc.

Average Net Fixed Asset Values (from Sheet 4)		2006		2007		2008		2009		2010		2011		2012		2013
Smart Meters	\$		\$		\$	112,705	\$	3,216,296	\$	8,154,421	\$	10,230,242	\$	9,960,700	\$	9,164,449
Computer Hardware	\$ \$	_	\$	-	\$	-	\$	105,099	\$	199,135	\$	177,009	\$	154,882	\$	132,756
Computer Software	\$	_	¢		\$	49,463	\$	192,926	\$	262,231	\$	253,756	\$	183,641	\$	48,652
Tools & Equipment	Ψ \$	_	ŝ	-	\$		\$	1,786	\$	3,386	\$	3,013	\$	2,641	\$	2,268
Other Equipment	\$ \$	_	¢	_	\$	_	\$ \$	294,199	\$	584,396	\$	615,200	\$	615,200	\$	545,589
	\$		÷	_	<u> </u>	162,168	\$	3,810,306	\$	9,203,568	\$	11,279,220	\$	10,917,063	\$	9,893,714
Total Net Fixed Assets	Þ	-	Þ	-	Þ	162,168	Þ	3,810,306	Þ	9,203,568	Þ	11,279,220	Þ	10,917,063	Þ	9,893,714
Working Capital																
Operating Expenses (from Sheet 2)	\$	-	\$	-	\$	-	\$	162,631	\$	162,424	\$	406,919	\$	352,490	\$	345,000
Working Capital Factor (from Sheet 3)		15%		15%		15%		15%		15%		15%		15%		15%
Working Capital Allowance	\$	-	\$	-	\$	-	\$	24,395	\$	24,364	\$	61,038	\$	52,873	\$	51,750
Incremental Smart Meter Rate Base	\$	-	\$	-	\$	162,168	\$	3,834,700	\$	9,227,932	\$	11,340,258	\$	10,969,936	\$	9,945,464
Return on Rate Base																
Capital Structure																
Deemed Short Term Debt	\$	-	\$	-	\$	-	\$	-	\$	369,117	\$	453,610	\$	438,797	\$	397,819
Deemed Long Term Debt	\$	-	\$	-	\$	93,247	\$	2,300,820	\$	5,167,642	\$	6,350,544	\$	6,143,164	\$	5,569,460
Equity	\$	-	\$	-	\$	68,921	\$	1,533,880	\$	3,691,173	\$	4,536,103	\$	4,387,975	\$	3,978,186
Preferred Shares	\$	-	Ŝ	-	Ś	-	Ŝ	-	\$	-	\$	-	\$	-	\$	-
Total Capitalization	\$	-	\$	-	\$	162,168	\$	3,834,700	\$	9,227,932	\$	11,340,258	\$	10,969,936	\$	9,945,464
Defense en																
Return on	•		•		•		•		•	7.044	•	0.000	•	0.000	•	0.005
Deemed Short Term Debt	\$	-	\$	-	\$	-	\$	-	\$	7,641	\$	9,390	\$	9,083	\$	8,235
Deemed Long Term Debt	\$	-	\$	-	\$	5,595	\$	138,049	\$	303,341	\$	372,777	\$	360,604	\$	326,927
Equity	\$	-	\$	-	\$	6,203	\$	138,049	\$	363,581	\$	446,806	\$	432,215	\$	391,851
Preferred Shares	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Return on Capital	\$	-	\$	-	\$	11,798	\$	276,098	\$	674,562	\$	828,973	\$	801,902	\$	727,013
Operating Expenses	\$	-	\$	-	\$	-	\$	162,631	\$	162,424	\$	406,919	\$	352,490	\$	345,000
Amortization Expenses (from Sheet 4)																
Smart Meters	\$	-	\$	-	\$	5,636	\$	159,943	\$	651,131	\$	768,223	\$	796,251	\$	796,251
Computer Hardware	\$	-	\$	-	\$	-	\$	11,063	\$	22,126	\$	22,126	\$	22,126	\$	22,126
Computer Software	\$	-	\$	-	\$	-	\$	-	\$	108,012	\$	140,028	\$	172,672	\$	97,305
Tools & Equipment	\$	-	\$	-	\$	-	\$	155	\$	373	\$	373	\$	373	\$	373
Other Equipment	\$	-	\$	-	\$	-	\$	47,204	\$	68,508	-\$	69,611	\$	69,611	\$	69,611
Total Amortization Expense in Year	\$	-	\$	-	\$	5,636	\$	218,366	\$	850,150	\$	861,139	\$	1,061,032	\$	985,665
Incremental Revenue Requirement before Taxes/PILs	\$	-	\$	-	\$	17,434	\$	657,095	\$	1,687,136	\$	2,097,031	\$	2,215,424	\$	2,057,678
Calculation of Taxable Income																
Incremental Operating Expenses	\$	-	\$	-	\$	-	\$	162,631	\$	162,424	\$	406,919	\$	352,490	\$	345,000
Amortization Expense	\$	-	\$	-	\$	5,636	\$	218,366	\$	850,150	\$	861,139	\$	1,061,032	\$	985,665
Interest Expense	\$	-	\$	-	\$	5,595	\$	138,049	\$	310,981	\$	382,167	\$	369,687	\$	335,162
Net Income for Taxes/PILs	\$	-	\$	-	\$	6,203	\$	138,049	\$	363,581	\$	446,806	\$	432,215	\$	391,851
Grossed-up Taxes/PILs (from Sheet 7)	\$	-	\$	-	-\$	18,650.16	-\$	237,373.51	-\$	305,173.06	-\$	306,718.26	-\$	97,170.91	\$	1,742.43
Revenue Requirement, including Grossed-up Taxes/PILs	\$	-	\$	-	-\$	1,217	\$	419,722	\$	1,381,963	\$	1,790,312	\$	2,118,253	\$	2,059,420



Ontario Energy Board Smart Meter Model

Kitchener-Wilmot Hydro Inc.

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 Forecast	2013 Forecast
Opening UCC Capital Additions Retirements/Removals (if applicable) UCC Before Half Year Rule	\$ - \$ -	\$ - \$ -	\$ \$ 231,045.71 \$ 231,045.71	\$ 207,941.14 \$ 6,141,715.62 \$ 6,349,656.76	\$ 5,693,896.97 \$ 4,545,608.29 \$ 10,239,505.26	\$ 8,646,165.04 \$ 1,025,388.62 \$ 9,671,553.66	\$ 7,839,781.79 \$ - \$ 7,839,781.79	\$ 6,271,825.43 \$ - \$ 6,271,825.43
Half Year Rule (1/2 Additions - Disposals) Reduced UCC CCA Rate Class CCA Rate	\$- \$- \$ 8 20%	<u>\$</u> - \$- 8 20%	\$ 231,043.71 \$ 115,522.86 \$ 115,522.86 8 20%	\$ 0,349,050.76 \$ 3,070,857.81 \$ 3,278,798.95 8 20%	\$ 10,239,505.26 \$ 2,272,804.15 \$ 7,966,701.11 8 20%	\$ 9,071,503.66 \$ 512,694.31 \$ 9,158,859.35 8 20%	\$ 7,839,781.79 \$ 7,839,781.79 8 20%	\$ 6,271,825.43 \$ - \$ 6,271,825.43 8 20%
CCA Closing UCC	\$- \$-	<u>\$</u> - \$-	\$ 23,104.57 \$ 207,941.14	\$ 655,759.79 \$ 5,693,896.97	\$ 1,593,340.22 \$ 8,646,165.04	\$ 1,831,771.87 \$ 7,839,781.79	\$ 1,567,956.36 \$ 6,271,825.43	\$ 1,254,365.09 \$ 5,017,460.34
UCC - Computer Equipment	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 Forecast	2013 Forecast
Opening UCC Capital Additions Computer Hardware Capital Additions Computer Software Retirements/Removals (if applicable)	\$- \$- \$-	\$- \$- \$-	\$- \$- \$98,926.32	\$ 71,721.58 \$ 221,260.70 \$ 187,999.35	\$ 328,988.25 \$ - \$ 58,622.72	\$ 190,546.18 \$ - \$ 172,468.38	\$210,785.36 \$- \$-	\$ 94,853.41 \$ - \$ -
UCC Before Half Year Rule Half Year Rule (1/2 Additions - Disposals) Reduced UCC CCA Rate Class	\$ - \$ - \$ - 50	\$ \$- \$50	\$ 98,926.32 \$ 49,463.16 \$ 49,463.16 50	\$ 480,981.63 \$ 204,630.03 \$ 276,351.61 50	\$ 387,610.97 \$ 29,311.36 \$ 358,299.61 50	\$ 363,014.56 \$ 86,234.19 \$ 276,780.37 50	\$ 210,785.36 \$ - \$ 210,785.36 50	\$ 94,853.41 \$ - \$ 94,853.41 50
CCA Rate CCA Closing UCC	55% \$- \$-	55% <u>\$-</u> \$-	55% \$ 27,204.74 \$ 71,721.58	55% \$ 151,993.38 \$ 328,988.25	55% \$ 197,064.78 \$ 190,546.18	55% \$ 152,229.21 \$ 210,785.36	55% \$ 115,931.95 \$ 94,853.41	55% \$52,169.38 \$42,684.04
UCC - General Equipment	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 Forecast	2013 Forecast
Opening UCC Capital Additions Tools & Equipment Capital Additions Other Equipment Retirements/Removals (if applicable)	Audited Actual \$ - \$ - \$ -	Audited Actual \$ - \$ - \$ -	Audited Actual \$ - \$ - \$ -	Audited Actual \$ - \$ 3,727.83 \$ 635,601.36	Audited Actual \$ 575,396.27 \$ 60,505.25	S 514,771.74 \$ - \$ -	Forecast \$ 411,817.39 \$ - \$ -	Forecast \$ 329,453.91 \$ - \$ -
Opening UCC Capital Additions Tools & Equipment Capital Additions Other Equipment	Audited Actual S - S - S -	Audited Actual \$- \$- \$-	Audited Actual \$ - \$ - \$ - \$	Audited Actual \$ - \$ 3,727.83	Audited Actual \$ 575,396.27 \$ -	Audited Actual \$ 514,771.74 \$ -	Forecast \$ 411,817.39 \$ -	Forecast \$ 329,453.91 \$ -
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	S - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	S - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$ 3,727.83 \$ 635,601.36 \$ 639,329.19 \$ 319,664.60 \$ 319,664.60 8	Audited Actual \$ 575,396.27 \$ 60,505.25 \$ 635,901.52 \$ 30,252.63 \$ 605,648.90 8	Audited Actual \$ 514,771.74 \$ - \$ - \$ - \$ 514,771.74 \$ - \$ 514,771.74 8 - \$ 514,771.74 8	Forecast \$ 411,817.39 \$ - \$ 411,817.39 \$ - \$ 411,817.39 \$ - \$ 411,817.39 8 -	Forecast \$ 329,453.91 \$ - \$ 329,453.91 \$ - \$ 329,453.91 \$ 329,453.91 8 329,453.91 8
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 CCA Rate CCA	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - 8 - 20% -	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	S - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$ 3,727.83 \$ 635,601.36 \$ 639,329.19 \$ 319,664.60 \$ 319,664.60 8 20% \$ 63,932.92	Audited Actual \$ 575,396.27 \$ 60,505.25 \$ 635,901.52 \$ 30,252.63 \$ 605,648.90 8 20% \$ 121,129.78	Audited Actual \$ 514,771.74 \$ - \$ - \$ - \$ 514,771.74 \$ - \$ 514,771.74 8 - \$ 514,771.74 8 - 20% \$ 102,954.35	Forecast \$ 411,817.39 \$ - \$ 411,817.39 \$ - \$ 411,817.39 \$ - \$ 411,817.39 8 - \$ 20% \$ 82,363.48	Forecast \$ 329,453.91 \$ - \$ - \$ 329,453.91 \$ - \$ 329,453.91 \$ - \$ 329,453.91 8 - \$ 329,453.91 8 - \$ 329,453.91 8 - \$ 329,453.91 \$ - \$ 329,453.91 \$ - \$ - \$ 329,453.91 \$ - \$ - \$ 329,453.91 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
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 CCA Rate CCA Closing UCC UCC - Applications Software Retirements/Removals (if applicable)	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$ 3,727.83 \$ 635,601.36 \$ 639,329.19 \$ 319,664.60 \$ 319,664.60 8 20% \$ 63,932.92 \$ 575,396.27 2009 Audited Actual \$ -	Audited Actual \$ 575,396,27 \$ 60,505,25 \$ 605,05,25 \$ 30,252,63 \$ 605,648,90 8 20% \$ 121,129,78 \$ 514,771,74 2010 Audited Actual \$ - \$ - \$ - }	Audited Actual \$ 514,771.74 \$ 514,771.74 \$ 514,771.74 \$ 514,771.74 \$ 20% \$ 102,954.35 \$ 411,817.39 2011 Audited Actual \$	Forecast \$ 411,817.39 \$ - \$ 411,817.39 \$ 411,817.39 \$ 411,817.39 \$ 411,817.39 \$ 411,817.39 \$ 20% \$ 82,363.48 \$ 329,453.91 Forecast \$ - \$ -	Forecast \$ 329,453.91 \$ - \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 20% \$ 65,890.78 \$ 263,563.13 Porecast \$ \$ - \$ - \$ - \$ - \$ -
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 CCA Rate CCA Closing UCC UCC - Applications Software Opening UCC Capital Additions Applications Software	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$	Audited Actual \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Audited Actual \$ 3,727.83 \$ 635,601.36 \$ 639,329.19 \$ 319,664.60 \$ 319,664.60 8 20% \$ 63,932.92 \$ 575,396.27 2009 Audited Actual \$	Audited Actual \$ 575,396,27 \$ 60,505,25 \$ 605,052,25 \$ 30,252,63 \$ 605,648,90 8 20% \$ 121,129,78 \$ 514,771,74 2010 Audited Actual \$ -	Audited Actual \$ 514,771.74 \$ 5 514,771.74 \$ 514,771.74 \$ 514,771.74 8 20% \$ 102,954.35 \$ 411,817.39 2011 Audited Actual \$ -	Forecast \$ 411,817.39 \$ - \$ 411,817.39 \$ - \$ 411,817.39 \$ 411,817.39 8 20% \$ 411,817.39 8 20% \$ 329,453.91 2012 Forecast \$ -	Forecast \$ 329,453.91 \$ - \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 329,453.91 \$ 20% \$ 263,563.13 Forecast \$ -



PILs Calculation

		:	2006 Audited Actual		2007 Audited Actual		2008 Audited Actual		2009 Audited Actual		2010 Audited Actual		2011 Audited Actual		2012 Forecast		2013 Forecast
INCOME .	ТАХ																
	Net Income	\$	-	\$	-	\$	6,202.93	\$	138,049.21	\$	363,580.51	\$	446,806.16	\$	432,215.49	\$	391,851.30
	Amortization	\$	-	\$	-	\$	5,635.80	\$	218,366.02	\$	850,150.13	\$	861,139.17	\$	1,061,032.32	\$	985,664.57
	CCA - Smart Meters	\$	-	\$	-	-\$	23,104.57	-\$	655,759.79	-\$	1,593,340.22	-\$	1,831,771.87	-\$	1,567,956.36	-\$	1,254,365.09
	CCA - Computers	\$	-	\$	-	-\$	27,204.74	-\$	151,993.38	-\$	197,064.78	-\$	152,229.21	-\$	115,931.95	-\$	52,169.38
	CCA - Applications Software	\$	-	\$	-	\$	-	\$		\$	-	\$	-	\$		\$	-
	CCA - Other Equipment	\$		\$	-	\$	-	-\$	63,932.92	-\$	121,129.78	-\$	102,954.35	-\$	82,363.48	- <mark>\$</mark> \$	65,890.78
	Change in taxable income	\$	-	\$	-	-\$	38,470.58	-\$	515,270.87	-\$	697,804.14	-\$	779,010.09	-\$	273,003.97	\$	5,090.62
	Tax Rate (from Sheet 3)		36.12%		36.12%		33.50%		33.00%		31.00%		28.25%		26.25%		25.50%
	Income Taxes Payable	\$	-	\$	-	-\$	12,887.64	-\$	170,039.39	-\$	216,319.28	-\$	220,070.35	-\$	71,663.54	\$	1,298.11
ONTARIO	CAPITAL TAX																
ONTAILO	Smart Meters	\$	_	\$	_	\$	225,409.91	\$	6,207,182.12	\$	10,101,659.39	\$	10,358,824.81	\$	9,562,574.26	\$	8.766.323.71
	Computer Hardware	\$	_	ŝ	_	\$	-	\$	210.197.67	\$	188.071.60	\$	165,945.53	Š	143,819.46	\$	121,693.39
	Computer Software			Ť													121,000.00
	(Including Application Software)	\$	-	\$	-	\$	98,926.32	\$	286,925.67	\$	237,536.16	\$	269,976.76	\$	97,304.50	\$	-
	Tools & Equipment	\$	-	\$	-	\$	-	\$	3,572.50	\$	3,199.72	\$	2,826.93	\$	2,454.15	\$	2,081.37
	Other Equipment	\$	-	\$	-	\$	-	\$	588,397.12	\$	580,394.34	\$	650,005.00	\$	580,394.34	\$	510,783.68
	Rate Base	\$	-	\$	-	\$	324,336.23	\$	7,296,275.08	\$	11,110,861.20	\$	11,447,579.03	\$	10,386,546.71	\$	9,400,882.14
	Less: Exemption																
	Deemed Taxable Capital	\$	-	\$	-	\$	324,336.23	\$	7,296,275.08	\$	11,110,861.20	\$	11,447,579.03	\$	10,386,546.71	\$	9,400,882.14
	Ontario Capital Tax Rate (from Sheet 3)		0.300%		0.225%		0.225%		0.225%		0.075%		0.000%		0.000%		0.000%
	Net Amount (Taxable Capital x Rate)	\$	-	\$	-	\$	729.76	\$	16,416.62	\$	8,333.15	\$	-	\$	-	\$	-
	Change in Income Taxes Payable	\$	-	\$	-	-\$	12,887.64	-\$	170,039.39	-\$	216,319.28	-\$	220,070.35	-\$	71,663.54	\$	1,298.11
	Change in OCT	\$	-	\$	-	\$	729.76	\$	16,416.62	\$	8,333.15	\$	-	\$	· -	\$	-
	PILs	\$	-	\$	-	-\$	12,157.89	-\$	153,622.77	-\$	207,986.14	-\$	220,070.35	-\$	71,663.54	\$	1,298.11
Gross L	lp PILs																
	Tax Rate		36.12%		36.12%		33.50%		33.00%		31.00%		28.25%		26.25%		25.50%
	Change in Income Taxes Payable	\$	-	\$	-	-\$	19,379.92	-\$	253,790.13	-\$	313,506.21	-\$	306,718.26	-\$	97,170.91	\$	1,742.43
	Change in OCT	\$	-	\$	-	\$	729.76	\$	16,416.62	\$	8,333.15	\$	-	\$	-	\$	-
	PILs	\$	-	\$	-	-\$	18,650.16	-\$	237,373.51	-\$	305,173.06	-\$	306,718.26	-\$	97,170.91	\$	1,742.43

Ontario Energy Board

Smart Meter Model



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	Op	pening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Bala	nce	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2000 04			len OC			¢			0.000/	₽.	¢			
2006 Q1	4 4 40/	4.000/	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	\$ \$		¢ 04.000.40	4.14%		•	-		¢ 0.07
2007 Q1	4.59%	4.72%	May-06	2006	Q2	ֆ Տ	-	\$ 24,226.43 \$ 17.853.56	4.14%	•	+ , -			\$ 0.27 \$ 0.27
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2		24,226.43		4.14%					
2007 Q3 2007 Q4	4.59%	5.18%	Jul-06	2006	Q3	\$	42,079.99 66,985.57	\$ 24,905.58 \$ 18,256.65	4.59%					\$ 0.27 \$ 0.27
	5.14%	5.18%	Aug-06	2006	Q3	\$			4.59%					
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$	85,242.22	\$ 25,015.13	4.59%					\$ 0.27 \$ 0.27
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$	110,257.35	\$ 18,299.71	4.59%					
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$	128,557.06	\$ 25,101.59 \$ 18,254.02	4.59%	• • •			¢ 474.044.50	\$ 0.27
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ \$	153,658.65	\$ 18,254.92 \$ 25,253.54	4.59%				\$ 174,241.58	\$ 0.27 \$ 0.27
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1		171,913.57		4.59%					
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$	197,167.11		4.59%		* - <i>)</i> -			\$ 0.27 \$ 0.27
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ \$	215,466.25	\$ 25,357.08	4.59%					
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2		240,823.33	\$ 18,377.65 \$ 25,368.56	4.59% 9					
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$	259,200.98			• • •				
2010 Q2 2010 Q3	0.55%	4.34%	Jun-07	2007	Q2	\$ \$	284,569.54	\$ 18,359.73 \$ 25,589.97	4.59%					\$ 0.27 \$ 0.27
2010 Q3 2010 Q4	0.89%	4.66%	Jul-07	2007	Q3		302,929.27		4.59% 9 4.59% 9					•
2010 Q4 2011 Q1	1.20% 1.47%	4.01% 4.29%	Aug-07	2007	Q3	\$ \$	328,519.24 347,030.43							
2011 Q1 2011 Q2			Sep-07	2007	Q3	ъ \$,		4.59% S					\$ 0.27 \$ 0.27
	1.47%	4.29%	Oct-07	2007	Q4	ծ \$	372,612.26							
2011 Q3 2011 Q4	1.47% 1.47%	4.29% 3.92%	Nov-07 Dec-07	2007 2007	Q4 Q4	ъ \$	391,130.22 416,843.13	\$ 25,712.91 \$ 18,488.93	5.14% 5.14% 5				\$ 277,454.97	\$ 0.27 \$ 0.27
2011 Q4 2012 Q1	1.47%	3.92%	Jan-08			ъ \$	435,332.06	\$ 25,911.51	5.14% 3	• ,			\$ 211,454.91	\$ 0.27 \$ 0.27
2012 Q1 2012 Q2	1.47%		Feb-08	2008 2008	Q1 Q1	ъ \$	435,332.06 461,243.57	\$ 18,493.02	5.14%					
2012 Q2 2012 Q3	1.47%	3.92%		2008	Q1 Q1	ծ \$	479,736.59		5.14%					\$ 0.27 \$ 0.27
2012 Q3 2012 Q4			Mar-08				479,736.59 505,816.80		4.08%	• ,				\$ 0.27
2012 Q4 2013 Q1			Apr-08	2008 2008	Q2	\$ \$	524,513.90		4.08%					\$ 0.27
2013 Q1 2013 Q2			May-08	2008	Q2	э \$	550,807.13	• • • • • •						
2013 Q2 2013 Q3			Jun-08 Jul-08		Q2	ъ \$	569,595.29	\$ 18,788.16 \$ 26,320.28	4.08% 3.35% 3					\$ 0.27 \$ 0.27
2013 Q3 2013 Q4				2008 2008	Q3	э \$	595,915.57	\$ 18,710.79	3.35%					\$ 0.27
2013 Q4			Aug-08 Sep-08	2008	Q3 Q3	ъ \$	614,626.36	\$ 26,347.07	3.35%					\$ 0.27
			Oct-08	2008	Q3 Q4	э \$	640,973.43		3.35%					\$ 0.27
			Nov-08	2008	Q4 Q4	э \$	659,743.32	\$ 26,338.42	3.35%					\$ 0.27
			Dec-08	2008		э \$	686,081.74	\$ 18,826.42	3.35%				\$ 291,363.19	\$ 0.27
			Jan-09	2008	Q4 Q1	э \$	704,908.16	\$ 26,480.55	2.45%				φ 291,303.19	\$ 0.27
			Feb-09	2009	Q1	э \$	731,388.71	\$ 18,727.49	2.45%					\$ 0.27
			Mar-09	2009	Q1	φ \$	750,116.20	\$ 26,729.35	2.45%					\$ 0.27
			Apr-09	2009	Q2	φ \$	776,845.55	\$ 18,891.93	1.00%					\$ 0.27
			May-09	2009	Q2 Q2	φ \$	795,737.48	\$ 92,198.13	1.00% 3					\$ 1.00
			Jun-09	2009	Q2 Q2	э \$	887,935.61	\$ 67,416.68	1.00% 3					\$ 1.00
			Jul-09 Jul-09	2009	Q2 Q3	э \$	955,352.29	\$ 98,117.10	0.55%					\$ 1.00
			Aug-09	2009 2009	Q3 Q3	ъ \$	1,053,469.39	\$ 69,942.42	0.55%		\$ 1,053,907			\$ 1.00
			Sep-09	2009	Q3 Q3	э \$	1,123,411.81	\$ 99,233.15	0.55%					\$ 1.00
			Oct-09	2009	Q3 Q4	э \$	1,222,644.96	\$ 70,041.03	0.55%		\$ 1,223,138			\$ 1.00
			Nov-09	2009	Q4 Q4	э \$	1,292,685.99		0.55%		\$ 1,392,319			\$ 1.00
			Dec-09	2009	Q4 Q4	э \$	1,391,727.12		0.55%				\$ 766,868.23	•
			D90-09	2009	Q4	φ	1,301,727.12	ψ /0,300.5/	0.00%	φ 031.01	ψ 1,402,073		φ 100,000.23	Ψ 1.00



This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

						-											rd Approved Smart
	Approved Deferral and	CWIP				0	pening Balance		g Adder	Interest	• •		~			Me	ter Funding Adder
Interest Rates	Variance Accounts		ate	Year	Quarter	•	(Principal)		enues	Rate		erest		sing Balance	Annual amounts	•	(from Tariff)
			Jan-10	2010	Q1	\$	1,462,035.69		99,291.60	0.55%		670.10		1,561,997.39		\$	1.00
			eb-10	2010	Q1	\$	1,561,327.29		70,392.83	0.55%				1,632,435.73		\$	1.00
			Mar-10	2010	Q1	\$	1,631,720.12		100,104.30	0.55%		747.87		1,732,572.29		\$	1.00
			Apr-10	2010	Q2	\$	1,731,824.42		70,660.08	0.55%				1,803,278.25		\$	1.00
			/lay-10	2010	Q2	\$	1,802,484.50		100,072.61	0.55%		826.14		1,903,383.25		\$	1.00
			Jun-10	2010	Q2	\$	1,902,557.11		71,100.08	0.55%		872.01		1,974,529.20		\$	1.00
			Jul-10	2010	Q3	\$	1,973,657.19		100,580.65	0.89%			\$	2,075,701.64		\$	1.00
			Aug-10	2010	Q3	\$	2,074,237.84	\$	71,047.11	0.89%		1,538.39		2,146,823.34		\$	1.00
			Sep-10	2010	Q3	\$	2,145,284.95		100,826.15	0.89%		1,591.09		2,247,702.19		\$ \$	1.00
			Oct-10	2010	Q4	\$	2,246,111.10		70,983.09	1.20%		2,246.11		2,319,340.30		\$	1.00
			Nov-10	2010	Q4	\$ \$	2,317,094.19		101,124.12	1.20%		2,317.09		2,420,535.40	¢ 4.040 540.00	Ψ	1.00
			Dec-10	2010	Q4		2,418,218.31	\$	71,130.09	1.20%		2,418.22		2,491,766.62	\$ 1,043,512.89	\$ \$	1.00
			Jan-11	2011	Q1	\$ \$	2,489,348.40		101,345.00	1.47%		3,049.45		2,593,742.85		ֆ Տ	1.00
			Feb-11	2011	Q1 Q1	ъ \$	2,590,693.40 2,662,172.40		71,479.00	1.47% 1.47%		3,173.60		2,665,346.00		\$ \$	1.00
			Mar-11	2011		ъ \$			101,863.00	1.47%		3,261.16		2,767,296.56		ֆ Տ	1.00
			Apr-11	2011 2011	Q2 Q2	э \$	2,764,035.40 2,835,555.40		71,520.00 101,944.42	1.47%		3,385.94 3,473.56		2,838,941.34 2,940,973.38		\$ \$	1.00 2.00
			/lay-11 Jun-11	2011	Q2 Q2	э \$	2,835,555.40		135,872.68	1.47%		3,598.44		3,076,970.94		\$ \$	2.00
			Jul-11	2011	Q2 Q3	φ \$	3,073,372.50		202,330.98	1.47%		3,764.88		3,279,468.36		\$	2.00
			Aug-11	2011	Q3	ֆ \$	3,275,703.48		145,464.48	1.47%		4,012.74		3,425,180.70		\$	2.00
			Sep-11	2011	Q3	Ψ \$	3,421,167.96		206,810.60	1.47%		4,190.93		3,632,169.49		\$	2.00
			Oct-11	2011	Q3 Q4	\$	3,627,978.56		148,581.62	1.47%		4,444.27		3,781,004.45		\$	2.00
			Nov-11	2011	Q4	\$	3,776,560.18		205,325.98	1.47%		4,626.29		3,986,512.45		\$	2.00
			Dec-11	2011	Q4	\$	3,981,886.16		146,869.92	1.47%		4,877.81			\$ 1,685,266.75	\$	2.00
			Jan-12	2012	Q1	\$	4,128,756.08		204,742.96	1.47%		5,057.73		4,338,556.77	• 1,000,200110	\$	2.00
			eb-12	2012	Q1	\$	4,333,499.04		146,507.00	1.47%		5,308.54		4,485,314.58		\$	2.00
			Mar-12	2012	Q1	\$	4,480,006.04		205,670.00	1.47%		5,488.01		4,691,164.05		\$	2.00
			Apr-12	2012	Q2	\$	4,685,676.04		147,228.00	1.47%	\$ 5	5,739.95	\$	4,838,643.99		\$	2.00
			•		Q2	\$	4,832,904.04		204,849.68	1.47%		5,920.31		5,043,674.03		\$	-
			Jun-12	2012	Q2	\$	5,037,753.72	\$	100,000.00	1.47%	\$ 6	6,171.25	\$	5,143,924.97		\$	-
			Jul-12	2012	Q3	\$	5,137,753.72	\$	-	1.47%	\$ 6	6,293.75	\$	5,144,047.47		\$	-
		A	Aug-12	2012	Q3	\$	5,137,753.72	\$	-	1.47%	\$ 6	6,293.75	\$	5,144,047.47		\$	-
		5	Sep-12	2012	Q3	\$	5,137,753.72	\$	-	1.47%	\$ 6	6,293.75	\$	5,144,047.47		\$	-
			Oct-12	2012	Q4	\$	5,137,753.72	\$	-	1.47%	\$ 6	6,293.75	\$	5,144,047.47		\$	-
		1	lov-12	2012	Q4	\$	5,137,753.72	\$	-	0.00%	\$	-	\$	5,137,753.72		\$	-
		[Dec-12	2012	Q4	\$	5,137,753.72			0.00%	\$	-	\$	5,137,753.72	\$ 1,067,858.43	\$	-
			Jan-13	2013	Q1	\$	5,137,753.72			0.00%		-	\$	5,137,753.72			
		F	eb-13	2013	Q1	\$	5,137,753.72			0.00%		-	\$	5,137,753.72			
		1	Mar-13	2013	Q1	\$	5,137,753.72			0.00%		-	\$	5,137,753.72			
			Apr-13	2013	Q2	\$	5,137,753.72			0.00%	\$	-	\$	5,137,753.72			
			<i>l</i> lay-13	2013	Q2	\$	5,137,753.72			0.00%		-	\$	5,137,753.72			
			Jun-13	2013	Q2	\$	5,137,753.72			0.00%		-	\$	5,137,753.72			
			Jul-13	2013	Q3	\$	5,137,753.72			0.00%		-	\$	5,137,753.72			
			Aug-13	2013	Q3	\$	5,137,753.72			0.00%			\$	5,137,753.72			
			Sep-13	2013	Q3	\$	5,137,753.72	_		0.00%		-	\$	5,137,753.72			
			Oct-13	2013	Q4	\$	5,137,753.72	_		0.00%		-	\$	5,137,753.72			
			Nov-13	2013	Q4	\$	5,137,753.72			0.00%		-	\$	5,137,753.72	•		
		L	Dec-13	2013	Q4	\$	5,137,753.72			0.00%	Φ	-	\$	5,137,753.72	Ф -		



Account 1555 - Sub-account Funding Adder Revenues

														Board Approved Smart
	Approved Deferral and	CWIP				Opening Balance	1	Funding Adder	Interest					Meter Funding Adder
Interest Rates	Variance Accounts	CWIF	Date	Year	Quarter	(Principal)		Revenues	Rate	Interest	CI	osing Balance	Annual amounts	(from Tariff)
			Total Fund	ing Ado	der Reven	ues Collected	\$	5,137,753.72		\$ 168,812.32	\$	5,306,566.04	\$ 5,306,566.04	



Ontario Energy Board

Smart Meter Model

Kitchener-Wilmot Hydro Inc.

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

Account 1556 - Sub-accounts Operating Expenses, Amortization Expenses, Carrying Charges

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	OM&A Expenses	Amortization / Depreciation Expense	Closing Balance (Principal)	(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
2006 Q1	0.00%	0.00%	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	-			-	4.14%	-	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-			-	4.14%	-	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-			-	4.59%	-	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-			-	4.59%	-	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-			-	4.59%	-	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-			-	4.59%	-	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-			-	4.59%	-	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-			-	4.59%	-	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-			-	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-			-	4.59%	-	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-			-	4.59%	-	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-			-	4.59%	-	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-			-	4.59%	-	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-			-	4.59%	-	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	-			-	4.59%	-	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	-			-	4.59%	-	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-			-	4.59%	-	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-			-	5.14%	-	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-			-	5.14%	-	-
2011 Q4	1.47%	3.92%	Dec-07	2007	Q4	-			-	5.14%	-	-
2012 Q1	1.47%	3.92%	Jan-08	2008	Q1	-			-	5.14%	-	-
2012 Q2	1.47%	3.92%	Feb-08	2008	Q1	-			-	5.14%	-	-
2012 Q3	0.00%	0.00%	Mar-08	2008	Q1	-			-	5.14%	-	-
2012 Q4	0.00%	0.00%	Apr-08	2008	Q2	-			-	4.08%	-	-
2013 Q1	0.00%	0.00%	May-08	2008	Q2	-			-	4.08%	-	-
2013 Q2	0.00%	0.00%	Jun-08	2008	Q2	-			-	4.08%	-	-
2013 Q3	0.00%	0.00%	Jul-08	2008	Q3	-		¢ 004.44	-	3.35%	-	-
2013 Q4	0.00%	0.00%	Aug-08	2008	Q3	-		\$ 884.41 \$ 1 027.70	884.41	3.35%	-	-
			Sep-08	2008	Q3	884.41 2,822.11		\$ 1,937.70 \$ 3,129.43	2,822.11 5,951.54	3.35% 3.35%	2.47 7.88	2.47
			Oct-08	2008	Q4	,		. ,	,			10.35 26.96
			Nov-08	2008	Q4	5,951.54		. ,	10,303.75	3.35%	16.61	
			Dec-08	2008	Q4	10,303.75		\$ 5,635.80	15,939.56	3.35%	28.76	55.73

				_							
Jan-09	2009	Q1	15,939.56			\$	7,571.47	23,511.03	2.45%	32.54	88.27
Feb-09	2009	Q1	23,511.03			\$	14,474.15	37,985.18	2.45%	48.00	136.27
Mar-09	2009	Q1	37,985.18	¢	70.04	\$	23,200.70	61,185.88	2.45%	77.55	213.82
Apr-09	2009	Q2	61,185.88	\$	73.01	\$	32,072.75	93,331.64	1.00%	50.99	264.81
May-09	2009	Q2	93,331.64 146,337.97	\$	10,675.14 2,671.51	\$	42,331.19	146,337.97	1.00%	77.78	342.59
Jun-09 Jul-09	2009 2009	Q2 Q3	202,616.69	\$ \$	10,376.09	\$ \$	53,607.21 68,630.64	202,616.69 281,623.42	1.00% 0.55%	121.95 92.87	464.54 557.40
Aug-09	2009	Q3	281,623.42	\$	33,933.86	φ \$	90,717.77	406,275.05	0.55%	129.08	686.48
Sep-09	2009	Q3	406,275.05	\$	5,844.09	φ \$	116,918.82	529,037.97	0.55%	186.21	872.69
Oct-09	2009	Q3 Q4	529,037.97	\$	9,286.37		147,394.98	685,719.31	0.55%	242.48	1,115.17
Nov-09	2009	Q4	685,719.31	\$	8,265.42	\$	181,535.30	875,520.04	0.55%	314.29	1,429.45
Dec-09	2009	Q4	875,520.04	\$	81,505.32	\$	224,001.81	1,181,027.17	0.55%	401.28	1,830.73
Jan-10	2010	Q1	1,181,027.17	\$	5,168.77		276,665.78	1,462,861.72	0.55%	541.30	2,372.04
Feb-10	2010	Q1	1,462,861.72	\$	6,576.32	\$	333,346.96	1,802,784.99	0.55%	670.48	3,042.52
Mar-10	2010	Q1	1,802,784.99	\$	17,983.53	\$	395,044.16	2,215,812.68	0.55%	826.28	3,868.79
Apr-10	2010	Q2	2,215,812.68	\$	2,709.11	\$	461,016.13	2,679,537.92	0.55%	1,015.58	4,884.37
May-10	2010	Q2	2,679,537.92	\$	12,672.19	\$	533,623.99	3,225,834.10	0.55%	1,228.12	6,112.50
Jun-10	2010	Q2	3,225,834.10	\$	21,069.02	\$	608,778.44	3,855,681.56	0.55%	1,478.51	7,591.00
Jul-10	2010	Q3	3,855,681.56	\$	15,108.90	\$	684,845.16	4,555,635.62	0.89%	2,859.63	10,450.63
Aug-10	2010	Q3	4,555,635.62	\$	20,777.87	\$	762,125.87	5,338,539.36	0.89%	3,378.76	13,829.40
Sep-10	2010	Q3	5,338,539.36	\$	15,228.69	\$	839,965.39	6,193,733.45	0.89%	3,959.42	17,788.81
Oct-10	2010	Q4	6,193,733.45	\$	10,077.06	\$	917,999.55	7,121,810.05	1.20%	6,193.73	23,982.55
Nov-10	2010	Q4	7,121,810.05	\$	3,495.04	\$	996,329.29	8,121,634.38	1.20%	7,121.81	31,104.36
Dec-10	2010	Q4	8,121,634.38	\$	31,557.32	\$	1,074,151.95	9,227,343.65	1.20%	8,121.63	39,225.99
Jan-11	2011	Q1	9,227,343.65	\$	1,672.32	\$	1,152,425.05	10,381,441.02	1.47%	11,303.50	50,529.49
Feb-11	2011	Q1	10,381,441.02	\$		\$	1,230,999.10	11,623,669.31	1.47%	12,717.27	63,246.75
Mar-11	2011	Q1	11,623,669.31	\$	4,142.27		1,310,345.62	12,938,157.20	1.47%	14,238.99	77,485.75
Apr-11	2011	Q2	12,938,157.20	\$,	\$	1,390,088.71	14,334,530.67	1.47%	15,849.24	93,334.99
May-11	2011	Q2	14,334,530.67	\$	131,105.51	\$	1,471,571.90	15,937,208.08	1.47%	17,559.80	110,894.79
Jun-11	2011	Q2	15,937,208.08	\$	58,402.63	\$	1,553,561.62	17,549,172.33	1.47%	19,523.08	130,417.87
Jul-11	2011	Q3	17,549,172.33	\$	51,277.83 32,912.22	\$ ¢	1,638,257.18	19,238,707.34	1.47% 1.47%	21,497.74	151,915.61
Aug-11	2011	Q3	19,238,707.34 20,995,442.36	\$ \$		э \$	1,723,822.80 1,809,850.53	20,995,442.36 22,829,830.56	1.47%	23,567.42 25,719.42	175,483.02 201,202.44
Sep-11 Oct-11	2011 2011	Q3 Q4	22,829,830.56	\$	26,943.54	φ \$	1,896,836.65	24,753,610.75	1.47%	27,966.54	229,168.98
Nov-11	2011	Q4 Q4	24,753,610.75	\$	22,377.20	\$	1,983,985.45	26,759,973.40	1.47%	30,323.17	259,492.15
Dec-11	2011	Q4	26,759,973.40	\$	36,033.59	\$	2,074,512.44	28,870,519.44	1.47%	32,780.97	292,273.12
Jan-12	2012	Q1	28,870,519.44	\$		\$	2,162,931.80	31,065,833.60	1.47%	35,366.39	327,639.51
Feb-12	2012	Q1	31,065,833.60	\$		\$	2,251,351.16	33,348,275.36	1.47%	38,055.65	365,695.15
Mar-12	2012	Q1	33,348,275.36	\$	26,699.82	\$	2,339,770.52	35,714,745.71	1.47%	40,851.64	406,546.79
Apr-12	2012	Q2	35,714,745.71	\$	16,700.42	\$	2,428,189.88	38,159,636.01	1.47%	43,750.56	450,297.36
May-12	2012	Q2	38,159,636.01	\$	31,098.29	\$	2,516,609.25	40,707,343.55	1.47%	46,745.55	497,042.91
Jun-12	2012	Q2	40,707,343.55	\$	31,098.29	\$	2,605,028.61	43,343,470.45	1.47%	49,866.50	546,909.41
Jul-12	2012	Q3	43,343,470.45	\$	31,098.29	\$	2,693,447.97	46,068,016.71	1.47%	53,095.75	600,005.16
Aug-12	2012	Q3	46,068,016.71	\$	31,098.29	\$	2,781,867.33	48,880,982.33	1.47%	56,433.32	656,438.48
Sep-12	2012	Q3	48,880,982.33	\$	31,098.29	\$	2,870,286.69	51,782,367.31	1.47%	59,879.20	716,317.68
Oct-12	2012	Q4	51,782,367.31	\$	31,098.29	\$	2,958,706.05	54,772,171.65	1.47%	63,433.40	779,751.08
Nov-12	2012	Q4	54,772,171.65	\$	31,098.29	\$	3,047,125.42	57,850,395.36	0.00%	-	779,751.08
Dec-12	2012	Q4	57,850,395.36		31,098.29	\$	3,135,544.78	61,017,038.43	0.00%	-	779,751.08
Jan-13	2013	Q1	61,017,038.43		28,750.00			61,045,788.43	0.00%	-	779,751.08
Feb-13	2013	Q1	61,045,788.43		28,750.00			61,074,538.43	0.00%	-	779,751.08
Mar-13	2013	Q1	61,074,538.43		28,750.00			61,103,288.43	0.00%	-	779,751.08
Apr-13	2013	Q2	61,103,288.43		28,750.00			61,132,038.43	0.00%	-	779,751.08
May-13	2013	Q2	61,132,038.43	\$ ¢	28,750.00			61,160,788.43 61 189 538 43	0.00%	-	779,751.08
Jun-13 Jul-13	2013	Q2	61,160,788.43		28,750.00			61,189,538.43	0.00%	-	779,751.08
Aug-13	2013 2013	Q3 Q3	61,189,538.43 61,218,288.43		28,750.00 28,750.00			61,218,288.43 61,247,038.43	0.00% 0.00%	-	779,751.08 779,751.08
Sep-13	2013	Q3 Q3	61,247,038.43		28,750.00			61,275,788.43	0.00%	-	779,751.08
Oct-13	2013	Q3 Q4	61,275,788.43		28,750.00			61,304,538.43	0.00%	-	779,751.08
Nov-13	2013	Q4 Q4	61,304,538.43		28,750.00			61,333,288.43	0.00%	-	779,751.08
Dec-13	2013	Q4	61,333,288.43		28,750.00			61,362,038.43	0.00%	-	779,751.08
20010	2010	-3(-7	01,000,200.40	Ŷ	_0,700.00			0.,002,000.10	0.0070		



Ontario Energy Board Smart Meter Model

Kitchener-Wilmot Hydro Inc.

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

Year	OM& (from	A Sheet 5)	Expe	rtization ense n Sheet 5)	and	ulative OM&A Amortization ense	and	rage nulative OM&A Amortization ense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	OM&A	tization
2006	\$	-	\$	-	\$	-	\$	-	4.37%	\$	-
2007	\$	-	\$	-	\$	-	\$	-	4.73%	\$	-
2008	\$	-	\$	5,635.80	\$	5,635.80	\$	2,817.90	3.98%	\$	112.15
2009	\$	162,630.81	\$	218,366.02	\$	386,632.63	\$	196,134.21	1.14%	\$	2,231.03
2010	\$	162,423.82	\$	850,150.13	\$	1,399,206.58	\$	892,919.60	0.80%	\$	7,121.03
2011	\$	406,918.73	\$	861,139.17	\$	2,667,264.48	\$	2,033,235.53	1.47%	\$	29,888.56
2012	\$	352,489.51	\$	1,061,032.32	\$	4,080,786.31	\$	3,374,025.40	1.23%	\$	41,331.81
2013	\$	345,000.00	\$	985,664.57	\$	5,411,450.88	\$	4,746,118.59	0.00%	\$	-
Cumulativ	ve Interest	to 2011								\$	39,352.78
Cumulativ	ve Interest	to 2012								\$	80,684.59
Cumulativ	ve Interest	to 2013								\$	80,684.59



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 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

X Smart Meter Funding Adder (SMFA)

X Smart Meter Disposition Rider (SMDR)

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	2013	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$	-	\$	-	-\$	1,216.63	\$	419,721.73	\$ 1,381,962.70	\$ 1,790,312.50	\$ 2,118,253.27	\$ 2,059,420.44	\$ 5,709,033.57
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below)	\$	-	\$	-	\$	55.73	\$	1,775.01	\$ 37,395.26	\$ 253,047.13	\$ 487,477.96	 	\$ 779,751.08
X Sheet 8A (Interest calculated on monthly balances)	\$	-	\$	-	\$	55.73	\$	1,775.01	\$ 37,395.26	\$ 253,047.13	\$ 487,477.96	\$ -	\$ 779,751.08
Sheet 8B (Interest calculated on average annual balances)									 	 	 	 	
SMFA Revenues (from Sheet 8)	\$	171,913.57	\$	263,418.49	\$	269,576.10	\$	757,127.53	\$ 1,027,312.71	\$ 1,639,407.68	\$ 1,008,997.64	\$ -	\$ 5,137,753.72
SMFA Interest (from Sheet 8)	\$	2,328.01	\$	14,036.48	\$	21,787.09	\$	9,740.70	\$ 16,200.18	\$ 45,859.07	\$ 58,860.79	\$ -	\$ 168,812.32
Net Deferred Revenue Requirement	-\$	174,241.58	-\$	277,454.97	-\$	292,524.09	-\$	345,371.49	\$ 375,845.06	\$ 358,092.88	\$ 1,537,872.80	\$ 2,059,420.44	\$ 1,182,218.61
Number of Metered Customers (average for 2013 test year)												86991	

- Number of metered customers for which smart meter were deployed as part of program). Residential and GS < 50 kW customer classes and any other metered classes involved (e.g. GS 50 to 4999 kW for which interval meters were upgraded to utilize AMI and ODS assets)

Calculation of Smart Meter Funding Adder (per metered customer per month)

Net Deferred		
Revenues	May 1, 2006 to April 30, 2012	\$ 1,182,218.61
SMFA	May 1, 2012 to April 30, 201X	\$ 1.47

Check: Forecasted SMFA Revenues for 2012 test year

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

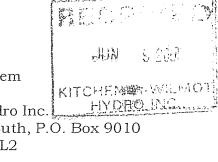
Years for colle	ction or refunding	1.5	
	mental Revenue Requirement from 2006 to December 31, 2012 erest on OM&A and Amortization	\$ 6,488,784.65	
SMFA Revenu	es collected from 2006 to 2013 test year (inclusive) mple Interest on SMFA Revenues	\$ 5,306,566.04	
	Revenue Requirement	\$ 1,182,218.61	٦
SMDR	November 1, 2012 to April 30, 2014	\$ 0.76	Match
Check: Forec	asted SMDR Revenues	\$ 1,190,036.88 -	J

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

Incremental Revenue Requirement for 2013	\$ 2,059,420.44	
SMIRR	\$ 1.97	Match
Check: Forecasted SMIRR Revenues	\$ 2,056,467.24	



PRP International, Inc. Fairness Advisory Services



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Mr. Jerry Van Ooteghem President and CEO Kitchener-Wilmot Hydro Inc. KITCHEM 301 Victoria Street South, P.O. Box 9010 Kitchener, ON N2G 4L2

Dear Mr. Van Ooteghem:

Subject: Attestation of the Fairness Commissioner Advanced Metering Infrastructure RFP, August 2007 London Hydro & Consortium of LDCs Smartmetering Project

PRP International, Inc. is pleased to submit its letter report of the Fairness Commissioner for the noted Request for Proposal (RFP) evaluation and selection phase. This judgment is being provided for the information and use of each Consortium LDC Sponsor, in their consideration of the report from the Evaluation Phase, for this competitive transaction.

"It is the judgment of PRP International, Inc., as the Fairness Commissioner, that the determinations of the two (2) highest ranked Proponents for the Kitchener-Wilmot Hydro Inc. requirements are:

- KTI/Sensus Limited, as the recommended Preferred Proponent, based on its highest ranking, and
- Elster Metering being the second ranked Proponent.

These determinations were made in a fair (objective and competent) manner and consistent with the evaluation and selection processes set out in the RFP, issued August 14, 2007."

A detailed report for your records will be submitted to you, by August 31, 2008. Should you have any questions or require clarification of any matter contained in this letter report, please contact the undersigned.

Yours truly,

Peter Sorensen

President cc: Mr. Gary Rains, RFP Project Director

203 - 8 QUEEN STREET, SUMMERSIDE, PEI C1N 0A6 TELEPHONE: 902.436.3930 FAX: 604-677-5409 EMAIL: fairness@telus.net



PRP International, Inc.

KITCHEN t y p

Fairness Advisory Services JUL 102

June 30, 2009

Mr. Jerry Van Ooteghem President and CEO Kitchener-Wilmot Hydro Inc. 301 Victoria Street South, P.O. Box 9010 Kitchener, ON N2G 4L2

Dear Mr. Van Ooteghem:

Confirmation of the Fairness Commissioner Subject: Kitchener-Wilmot Hydro Inc. - KTI/Sensus Limited Contract Award Advanced Metering Infrastructure RFP, August 2007 London Hydro & Consortium of LDCs Smartmetering Project

PRP International, Inc. is pleased to submit its Confirming Letter of the Fairness Commissioner for the noted negotiations and contracting phase of the LH AMI Request for Proposal (RFP) procurement. This judgment is being provided for the information and use of Kitchener-Wilmot Hydro Inc. ("K-WHI"), in its administration of the contract awarded to its #1 ranked Proponent, KTI/Sensus Limited.

"It is the judgment of PRP International, Inc., as the Fairness Commissioner engaged by K-WHI for the phase of negotiations and contract award pursuant to the Fairness Protocols issued August 2008, that the successful conclusion of negotiations and contract between Kitchener-Wilmot Hydro Inc. and KTI/Sensus Limited, were undertaken in accordance with the principle for such negotiations and contract award set out in the RFP, issued August 14, 2007."

A backgrounder and summary of the Fairness Protocols is attached and forms part of this Confirming Letter.

Yours truly,

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Peter Sorensen President

Cc: Mr. Wilf Meston Attachment: Negotiations and Contract Phase Backgrounder

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BACKGROUNDER TO FAIRNESS CONFIRMATION / ATTESTATION Advanced Metering Infrastructure Procurement

TO WHOM IT MAY CONCERN:

Background:

- A Request for Proposal procurement transaction was conducted by London Hydro Inc., as the lead sponsoring Local Distribution Company (LDC) and with a consortia of another 63 LDCs, during the period August 2007 to July, 2008;
- The evaluation and selection phase of the RFP provided for the determination of the #1 and #2 ranked Proponents for each LDC;
- RFP Provision 7.5.14¹ provides the framework (principle) for negotiations and contracting based on the principle of "first right to negotiation and execution of a contract" being accorded to the ranked order of Proponents commencing with the highest ranked Proponent and proceeding in a consecutive order thereafter; and
- Each LDC was provided the evaluation results for their #1 and #2 ranked Proponents supported by the Attestation Letter of the Fairness Commissioner as to those rankings.

Fairness Coverage Objective:

Normally, fairness coverage terminates with the determination of the ranked Proponents following the evaluation and selection phase of the RFP; however, certain LDCs expressed a wish to secure additional fairness coverage during the subsequent phase of negotiations and contract award. The objective for this second phase fairness coverage is to assure that LDCs undertook a phase of negotiations and contracting that meets the RFP provisions of consecutive negotiations where required, e.g. with their top two ranked Proponents and in the event of unsuccessful negotiations with the #1 ranked Proponent, a subsequent contract award to the next ranked Proponent would be on an equitable basis as was the requirements in the negotiations with the #1 ranked Proponent.

7.5.14 Final Contract Negotiations

Any conditions and provisions that a bidder seeks shall be a part of this proposal. Notwithstanding, nothing herein shall be interpreted to prohibit London Hydro from introducing or modifying contract terms and conditions during negotiation of the final contract.

London Hydro has scheduled no more than two weeks for contract negotiations (if necessary), and expects the successful bidder to maintain a prompt and responsive negotiation to accomplish and complete final contract agreement within that time period. If contract negotiations exceed an interval acceptable to London Hydro. London Hydro retains the option to terminate negotiations and continue to the next apparent successful bidder, at the sole discretion of London Hydro. Said interval shall in no event be less than three weeks.

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BACKGROUNDER TO FAIRNESS CONFIRMATION / ATTESTATION Advanced Metering Infrastructure Procurement

Fairness Protocols:

- A Fairness Protocol was developed and issued to all LDCs, in August 2008 that set forth the best practices for fair consecutive-based negotiations and contract award.
 - The fundamental principle of the Protocol was the requirement for the LDC to establish the negotiations agenda for their top ranked Proponents and submit a copy to the Fairness Commissioner prior to engagement of their #1 ranked Proponent, i.e. the agenda would demonstrate a common statement of work, a LDC standard for pass/fail in their negotiations and the negotiation issues would only differ to the extent of the respective Proponent's technical solution being offered.

Form of Fairness Confirmation / Attestation²:

- 1. A confirmation of fair negotiations and contract award would be issued if the LDC's #1 ranked Proponent was awarded a contract; the original Attestation Letter remains in effect.
- 2. An Attestation of fair negotiations and contract award would be issued if the LDC determined that their #1 Proponent was to be set aside and the LDC successfully contracted with their next ranked Proponent, e.g. their #2; the original Attestation Letter is thus superseded by the Negotiations and Contract Award Attestation Letter.

Local Distribution Company:

Kitchener-Wilmot Hydro Inc.

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- The two Negotiations Agenda were provided by K-WHI, via its agent Util-Assist;
- Fairness Commissioner undertook no direct participation or oversight in the negotiations between K-WHI and their #1 ranked Proponent;
- The successful contract award was based on the K-WHI criteria and no independent analysis nor any comparison with the evaluation results of the RFP process was carried out by the Fairness Commissioner; and
- The confirmation of the Fairness Commissioner was based on the progress report(s) provided by K-WHI, via its agent Util-Assist.

² Conditions on the rendering of this Confirmation / Attestation.