

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

AND IN THE MATTER OF an Application by Oakville Hydro
Electricity Distribution Inc. for an Order or Orders approving or
fixing just and reasonable rates with respect to Smart Meters as of
May 1, 2012.

Oakville Hydro Electricity Distribution Inc. (OHEDI)

Responses to Interrogatories

Vulnerable Energy Consumers Coalition (VECC)

EB-2012-0193

Filed: June 15, 2012

Contents

Responses to VECC Interrogatories

Attachment A – Audited Financial Statements

Attachment B – Smart Meter Model, Residential

Attachment C – Smart Meter Model, General Service < 50 kW

VECC Question # 1

Reference: Application, Page 5

Preamble: Oakville Hydro has installed 58,720 Residential smart meters and 5,014 General Service less than 50 kW customers.

- a) Please provide a calculation of the average costs per meter by year and rate class on a total cost basis (capex + opex) and capex only.

RESPONSE:

For convenience, Oakville Hydro's response to Board staff interrogatory number 15(a) has been replicated here.

Smart Meter Costs - Residential								
	2007	2008	2009	2010	2011	2012	Total	
Capital related to minimum functionality	\$ -	\$ -	\$ 1,250,103	\$ 5,354,660	\$ 1,207,552	\$ -	\$ 7,812,314	
Capital beyond minimum functionality	-	-	-	-	25,710	184,266	209,976	
OM&A related to minimum functionality	82,766	81,077	153,089	212,123	208,737	485,445	1,223,238	
OM&A beyond minimum functionality	-	-	-	136,183	145,200	53,667	335,051	
Total Costs	\$ 82,766	\$ 81,077	\$ 1,403,192	\$ 5,702,966	\$ 1,587,199	\$ 723,379	\$ 9,580,578	
Number of Smart Meters Deployed	-	-	11,996	44,916	1,808	-	58,720	Average Per Meter
						Total (capex + opex)	\$ 9,580,578	\$ 163.16
						Capex only	\$ 8,022,290	\$ 136.62
						OM&A only	\$ 1,558,288	\$ 26.54

Smart Meter Costs - General Service < 50 kW								
	2007	2008	2009	2010	2011	2012	Total	
Capital related to minimum functionality	\$ -	\$ -	\$ 275,442	\$ 1,667,750	\$ 347,741	\$ -	\$ 2,290,933	
Capital beyond minimum functionality	-	-	-	-	2,195	15,734	17,929	
OM&A related to minimum functionality	7,067	6,923	13,072	18,113	17,824	41,451	104,450	
OM&A beyond minimum functionality	-	-	-	11,628	12,398	4,583	28,609	
Total Costs	\$ 7,067	\$ 6,923	\$ 288,514	\$ 1,697,491	\$ 380,159	\$ 61,768	\$ 2,441,922	
Number of Smart Meters Deployed	-	-	-	3,907	1,107	-	5,014	Average Per Meter
						Total (capex + opex)	\$ 2,441,922	\$ 487.02
						Capex only	\$ 2,308,862	\$ 460.48
						OM&A only	\$ 133,060	\$ 26.54

- b) Please provide a schedule that compares the smart meter financial forecasts (capital & OM&A) in Oakville Hydro's previous applications to the current application and explain any variances greater than 10%.

RESPONSE:

In Oakville Hydro's 2010 Cost of Service application it estimated both Capital and OM&A costs for smart meters. These forecasts formed part of the request for the smart rate meter adder as Exhibit 9 of the Cost of Service application. The schedule below provides the comparative financial forecasts of this current application versus the smart meter section of the 2010 Cost of service application:

As shown in the table below, Oakville Hydro's actual capital costs are 6.84% lower than its previously forecasted costs and its OM&A cost are 1.16% lower than its previously forecasted costs. The variance is less than 10% for both capital costs and operating costs.

Type of Cost	Current Application	Cost of Service Application-Exhibit 9	Variance (%)
Capital Costs	\$10,331,152	\$11,089,150	-6.84%
OM&A costs	\$1,691,349	\$1,711,203	-1.16%
Total Costs	\$12,022,501	\$12,800,353	-6.08%

VECC Question # 2

Reference: Application, Page 5, Program Status

a) Please summarize the types of meters installed for each rate class.

RESPONSE:

Oakville Hydro has Sensus Flexnet-enabled smart meters for all Residential and General Service <50 KW customers. The Sensus technology incorporates Rf communications and all smart meters are equipped with Flexnet 2-way communication modules.

- **Residential Sensus iSA2 Smart Meters**

Sensus iSA2 smart meters are installed on single dwelling residential services. The iSA2 smart meters are equipped with Flexnet Radio frequency (Rf) communication modules that provide 2-way communication between the meters and Oakville Hydro's five Regional Collectors (Collectors). The iSA2 meter is available in various configurations to accommodate different residential service sizes.

- **General Service <50 KW Elster A3 Smart Meters**

Elster A3 meters are installed on General Service <50 kW and in condominiums that were previously suite metered using traditional socket-base meters. A3 meters are equipped with Flexnet Rf communication modules and purchased in various configurations (A3D, A3TL & A3RL) based on type of electrical service they are to be installed on.

A3D meters are configured for General Service <50 kW customers typically retail in nature and for condominium suite services.

A3TL & A3RL meters measure both kWh consumption and peak kW demand. These meters are installed on larger General Services < 50 kW customers that have a peak demand of < 50 kW but have the potential to exceed 50kW based on additional customer load. The kW demand for these meters is monitored. Should the customer load increase sufficiently to exceed 50 kW, the customer would qualify for a different rate class.

GE KV2c+ delta meters are for General Service <50 kW that have no neutral wire supplied from the distribution system. These meters are equipped with Flexnet Rf communication modules and register kWh and kW demand similar to A3TL and A3RL meters.

b) Please complete the following table to show average costs based on meter type.

Class	Type of Meter	Quantity	Meter Cost	Average Meter Cost	Installation Cost	Average Installation Cost	Total Average Cost
Residential							
GS<50 kW							

RESPONSE:

The following table to provides the costs based on meter type.

Oakville Hydro Electricity Distribution Company Inc.
 Responses to VECC Interrogatories
 EB-2012-0193
 Filed: June 15, 2012
 Page 7

Class	Type of Meter	Quantity	Meter Cost	Average Meter Cost	Installation Cost	Average Installation Cost	Total Cost	Total Average Cost
Residential	iSA2 200 amp	58,436	\$5,796,792	\$99.20	\$884,531	\$15.14	\$6,681,323	\$114.34
	iSA2 20 amp	279	\$56,379	\$202.08	\$3,631	\$13.01	\$60,010	\$215.09
	iSA2 120 volt	5	\$949	\$189.78	\$65	\$13.01	\$1,014	\$202.80
Total Residential		58,720	\$5,854,120	\$99.70	\$888,227	\$15.13	\$6,742,347	\$114.82
GS <50kW	A3D	1,424	\$477,373	\$335.23	\$66,790	\$46.90	\$544,162	\$382.14
	A3TL	2,906	\$1,106,295	\$380.69	\$146,901	\$50.55	\$1,253,196	\$431.24
	A3RL	260	\$226,450	\$391.11	\$20,979	\$80.69	\$247,429	\$951.65
		319			\$49,790	\$156.08	\$49,790	\$156.08
	KV2C	105	\$99,684	\$949.37	\$5,308	\$50.55	\$104,992	\$999.92
Total GS<50 kW		5,014	\$1,909,802	\$380.89	\$289,768	\$57.79	\$2,199,570	\$438.69
Total		63,734	7,763,922	\$121.82	1,177,995	\$18.48	8,941,917	\$140.30

VECC Question # 3

Reference: Application, Page 6

Preamble: Oakville Hydro indicates the costs associated with the Navigant report are included in this application.

- a) Please highlight the outcomes of this study and impact on Oakville Hydro's subsequent smart meter roll out.

RESPONSE:

The outcomes of the study and the impact on Oakville Hydro's smart meter roll out are as follows:

- Confirmed enabling technologies can help customers take advantage of TOU rates.
- Confirmed customer's acceptance and ability to shift and/or reduce energy consumption in response to TOU rates.
- Confirmed customer's ability and willingness to reduce commodity costs as a result of shifting and/or reducing energy consumption during peak price periods.
- Confirmed that retro-fitting multi-residential building from bulk to individual suite metering results in a decrease in total building energy usage.

The above findings provided Oakville Hydro a higher level of confidence that it's smart meter roll out and TOU rates would result in a greater willingness of customers to reduce energy consumption and shift energy usage to take advantage of the TOU rates.

- b) Please provide the total cost of this study and the corresponding cost category where these costs are included in the smart meter recovery model.

RESPONSE:

For convenience please see Oakville Hydro response to Board staff interrogatory number 3(a) has been replicated here.

The costs associated with the pilot project that are included in this application are as follows:

Capital -\$0 (costs were part of the third Tranche of the Market Adjusted Revenue Requirement (MARR) as approved by the Board in EB-2005-0208 and EB-2007-0033).

OM&A- \$24,041 – The third party Navigant Study prepared in 2008. In its Decision on Oakville Hydro's proposed TOU pricing pilot, the Board approved the TOU pilot subject to a few conditions, including the requirement to consult with Board staff before conducting an independent analysis of the results of the pilot and to share those results with the Board. Since the cost of this study was directly related the Smart Meter technology, Oakville Hydro recorded the costs the Smart Meter OM&A variance account. Oakville Hydro is now seeking approval for the recovery of those costs.

VECC Question # 4

Reference: Application, Pages 9-10

Preamble: Oakville Hydro partnered with a consortium of LDCs to complete an end-to-end security audit of its Sensus AMI system in July 2010.

- a) Please describe the consortium and LDC membership.

RESPONSE:

Thirty-one Ontario LDCs engaged in an RFP process to individually evaluate the supplied bids to the RFP. After individual scoring was completed by each LDC the scores were consolidated and agreed upon by all involved utilities. The security audit was awarded to the third party security audit experts which ranked highest.

- b) Please advise of the status of the security audit and any security concerns identified to date.

RESPONSE:

The results of the first security audit were released to the consortium with a listing of threats, risks and suggested steps to resolve the findings. Sensus has tested and implemented security enhancements in the current software release which fixed the vulnerabilities identified as high risk. One of the recommendations from Sensus was the implementation of full encryption. Since Oakville Hydro had already implemented encryption, as directed by the Information and Privacy Commissioner, further enhancements were not required as Oakville Hydro's AMI system was protected from these vulnerabilities. An annual security audit is in the planning stage and currently, no further details are available at this time.

c) Please identify the audit costs included in the current application.

RESPONSE:

For convenience see Oakville Hydro's response to Board staff interrogatory number 5 is replicated here.

The actual amount for 2011 was \$12,239 and the 2012 forecasted amount is \$6,120. Oakville Hydro confirms that the actual amount for the 2011 security audit and the forecasted amount for 2012 have been included in the costs reported in the Smart Meter Model.

VECC Question # 5

Reference: Application, Page 10

Preamble: Oakville Hydro requests that the Board accept this application on the basis that its audited costs will have exceeded 90% of the total program costs prior to the approval of its Application. Should there be any change to Oakville Hydro's audited program costs as a result of subsequent events prior to the approval of this Application; Oakville Hydro will file the revised costs with the Board.

- a) Please provide a schedule that shows audited vs. unaudited costs on an annual basis and on a cumulative basis to demonstrate the percentage of total program audited costs.

RESPONSE:

The following table provides the audited and unaudited costs on an annual and cumulative basis to demonstrate the percent of total program audited costs.

	2007 (Audited)	2008 (Audited)	2009 (Audited)	2010 (Audited)	2011 (Audited)	2012 (Unaudited)	Total
Capital Costs	\$ -	\$ -	\$ 1,525,544	\$ 7,022,409	\$ 1,583,198	\$ 200,000	\$ 10,331,152
OM&A Costs	89,833	88,000	166,161	378,048	384,159	585,147	1,691,348
Total	\$ 89,833	\$ 88,000	\$ 1,691,706	\$ 7,400,457	\$ 1,967,358	\$ 785,147	\$ 12,022,500
Cumulative Program Costs	\$ 89,833	\$ 177,833	\$ 1,869,538	\$ 9,269,995	\$ 11,237,353	\$ 12,022,500	
% of total Program Cost	1%	1%	16%	77%	93%	100%	

- b) If available, please provide the 2011 audited financial statements expected to be released in April 2012.

RESPONSE:

See audited financial statements in Appendix A.

VECC Question # 6

Reference: Application, Page 21

Preamble: Oakville Hydro estimates that it will incur incremental capital costs of \$200,000 in the year 2012 to complete the required upgrade to Oakville Hydro's CIS.

a) Please provide a breakdown of this cost.

RESPONSE:

For convenience, Oakville Hydro's response to Board staff interrogatory number 6 has been replicated here.

Oakville Hydro forecasted \$200,000 of capitalized software costs and has updated the forecast to \$206,700 based on more recent costing. Please see the table below for details.

Description	Amount
Database upgrade	\$ 31,500
Customer and CIS Connect	42,000
Northstar 6.4 Upgrade	88,700
TOU bill print modifications	40,000
Work Force Management	4,500
Total	\$ 206,700

In 2012, Oakville Hydro began the process of upgrading its CIS. The first component of the CIS improvements included an upgrade of the backend server from Informix to SQL. The

server will provide the CIS with enhanced security, greater efficiencies, and increased reliability – all of which have become vital due to the increased amount of data management and systems integration resulting from the smart meter deployment.

In the remainder of 2012, Oakville Hydro expects to complete a CIS upgrade. This upgrade is required, as there have been a number of enhancements to the CIS since the introduction of smart meters and TOU billing. These enhancements are directly attributed to the introduction of smart meters, interval (TOU) meter data, and integration with the provincial MDM/R.

Along with the CIS upgrade, Oakville Hydro will be looking to install a number of modules to its CIS, which will serve to enhance the efficiencies of the system. These tools will provide querying capabilities within the CIS, specific to smart meters and TOU data.

Finally, Oakville Hydro has yet to modify its bill print program since the introduction of TOU rates. In order to provide customers with an easier way to track and manage their TOU consumption, we will be working with our bill print vendor to modify the bill print program and physical bill print.

To date, of the capital costs outlined above, the database upgrade has been implemented at a cost of \$31,500. The remainder of the projects is scheduled over 2012.

VECC Question # 7

Reference: Application, Page 16

Preamble: Oakville Hydro provides information on one of the challenges it encountered in its smart meter rollout project related to the requirement to beta-test software.

- a) Please discuss any other challenges Oakville Hydro encountered during its smart meter implementation. Please include the corresponding impact on costs and timelines.

RESPONSE:

Oakville Hydro encountered challenges related to the deployment of smart meters. Primarily, the requirement for additional Regional Collectors (Collectors) proved to be the largest obstacle in executing the project on time. The initial propagation study indicated that only three Collectors would be necessary to support Oakville's meter population, however it became clear over several months of testing and network tuning that five towers would be the minimum requirement. Without these additional Collectors, the stability of the network communications would not have been able to reach acceptable levels. Fortunately there were no additional costs involved since the agreement clause with the vendor stipulated that Oakville Hydro would not pay for additional Collectors however, an increased time commitment was required by the AMI specialist to co-ordinate and test the two new towers was involved.

Additionally, there are meter locations in Oakville that are not designed for Radio frequency transmission, which causes issues when attempting to acquire data for those meters. Network tuning to stabilize the AMI network and reach these locations is on-going. Currently, there are still meters which need to be manually read in order to acquire meter

data. Staff is often required to make service calls in order to establish communications between meters and the Collectors. There are no incremental costs included as internal staff is attending to these responsibilities when required.

Oakville Hydro has also experienced limitations with integrating various AMI systems and processes with its current CIS, which have caused extensive manual, time consuming, and inefficient workarounds in order to perform new billing tasks as a result of smart meter implementation. In order to address these escalating costs, Oakville Hydro has initiated the business process redesign project for as discussed on page 19 of Oakville Hydro Application.

VECC Question # 8

Reference: Application, Page 17

Preamble: Oakville Hydro indicates the majority of the OM&A costs recorded in the Advanced Metering Control Maintenance relate to incremental employee costs.

- a) Please discuss how these incremental employee costs relate to the positions identified under Introduction-Smart Meter Deployment on Pages 15-16 of the application.

RESPONSE:

For convenience Oakville Hydro's response to Board staff interrogatory number 10(a) is replicated here.

As discussed in response to Board Staff interrogatory number 4, the costs in 2007 and 2008 relate to incremental staff required to test communication technologies and remote reading functionalities for the installation of smart meters. The costs in 2009, 2010 and 2011 relate to the portion of time that the incremental staff which held the position of AMI Analyst and Project Manager spent setting up and testing the AMCC and coordinating the rollout of the smart meters. There was also a charge of \$1,772 for an escrow agreement.

- b) Please discuss if Oakville Hydro's own staff completed any Residential or general General Service smart meter conversions and if so, how these costs are reflected in the current application.

RESPONSE:

The installation of smart meters was outsourced to Olameter and Rodan. There were a small number of smart meter customers that Oakville Hydro used its own internal metering staff to

perform the work. If the work was performed during normal working hours no incremental costs have been included in this application. If however, the smart meters were installed outside of normal working hours to meet timelines then the overtime costs were included in the Application.

- c) Please provide a summary of incremental internal labour costs incurred by Oakville Hydro to deploy smart meters in terms of positions, contract type (permanent vs. temporary, part-time vs. full-time), length of employment and work activities.

RESPONSE:

Position	Type	Cumulative Incremental Cost incurred to Dec 31, 2011	Length of Employment (Approximately)	Work Activities
Meter Technician	Full-time	\$47,104	12 months	Collect and analyze smart meter data.
AMI Analyst	Full-time (backfilled for IT analyst)	\$258,447	4 years	Network setup and tuning, software upgrades, encryption setup and testing, ODS setup and testing, MDMR integration, CIS integration, security audit.
Steering Committee Member	Part-time (affiliate staff member)	\$17,007	6 months	Attending meetings in the London RFP process and evaluating the bids for smart meters.
TOU Communications Co-ordinator	Contract (part-time on communication)	\$33,431	6 months	Preparing communication and pamphlets for customers, preparing Q and A documents for customer service personnel, website updates for

				TOU, responding to escalated smart meter inquires, employee communications.
Project Manager	Part-time	\$69,554	18 months	Co-ordinating smart meter roll-out plan with subcontractors , dealing with issues, reporting progress to the VP, providing status reports , leading and co-ordinating smart meter privacy commissioner
Meter Tech	Full-time (Overtime)	\$16,355	3-6 months	After hours, installing smart meters in areas missed by Olameter or Rodan

VECC Question # 9

Reference: Application, Page 23

Preamble: Oakville Hydro indicates in its 2010 cost of service process it anticipated and budgeted for operational savings related to the reduction of meter reading expenses with the activation of remote meter reading through the AMI network. However, the tuning process took longer than anticipated and Oakville Hydro continued to incur a portion of those costs to read the smart meters manually.

a) Please quantify the meter reading cost savings to Oakville Hydro.

RESPONSE:

In 2011, savings resulting from the installation of smart meters such as manual metering reading expenses have decreased by approximately \$230,000 from the 2010 year. Oakville Hydro's 2010 Cost of Service application anticipated these savings.

b) Please indicate how meter reading expenses and savings have been reflected in this application.

RESPONSE:

This application does not include manual meter reading costs. As noted in Oakville Hydro's response to Board staff interrogatory number 12(c), the anticipated savings were incorporated into Oakville Hydro's 2010 cost of service application. In this application, OM&A costs include data collector costs required in order to retrieve data to bill our customers.

c) Please identify any other operational efficiencies and cost savings that Oakville Hydro has experienced or anticipates will result from smart meter implementation.

RESPONSE:

Oakville Hydro experienced the greatest cost savings through the reduction of meter reading expenses, which was a direct result of the new remote meter reading capability from the smart meters.

The installation of commercial S-base meters which replaced pre-existing commercial A-base meters, through installation of specialized adaptors, has eliminated the need for complicated wiring required for a majority of the commercial installations and redirecting their work to other metering functions. This has resulted in less metering staff time required to complete these particular installations. However, the introduction of smart metering has created an offsetting increase in requirements of the metering and billing department resources.

As detailed in Oakville Hydro's response to Board staff interrogatory number 13, Oakville Hydro expects to see an improvement in the integration of its smart meter systems. By examining the current processes and existing technologies within Oakville Hydro's AMI systems the current manual processes and workarounds will be reduced. Oakville Hydro will be able to avoid significant staffing increases to process the existing levels of data and allow the integration of potential future growth in the numbers of ratepayers over the coming few years. This will assist in controlling ratepayer costs for the future. The changes will result in improved timeliness and consistency of billing.

VECC Question # 10

Reference 1: Smart Meter Model (V2_17)

Preamble: Oakville Hydro completed the Smart Meter Model provided by the OEB and used the data to arrive at the proposed Smart Meter Incremental Rate Rider and the proposed Smart Meter Disposition Rate Rider.

- a) Please confirm how the following costs are allocated to each class in Oakville Hydro's proposed allocation methodology in its application:
- Return
 - Amortization
 - OM&A expenses
 - PILs

RESPONSE:

For convenience Oakville Hydro's response to Board staff interrogatory number 21(a) has been replicated here.

Oakville Hydro has allocated costs to each class in its SMDR and SMIRR calculations as follows:

Return (deemed interest plus return on equity)	Capital cost of the meters for each class.
Amortization	Capital cost of the meters for each class.
OM&A	Number of meters installed for each class.
PILs	Revenue requirement allocated to each class before PILs.
Smart Meter Rate Adder Revenues	Revenue collect from each class (revenues collected from the General Service > 50 kW class have been allocated equally between the Residential and General Service < 50 kW class.

- b) Please calculate the SMDR and SMIRR based on the following methodology proposed by PowerStream in EB-2011-0128, using capital costs as the allocation driver:
- Allocation of the return (deemed interest plus return on equity) and amortization based on the capital cost of the meters for each class;
 - Allocation of OM&A based on number of meters installed for each class; and
 - Allocation of PILs based on the revenue requirement allocated to each class before PILs.
 - Allocation of SMFA based on the revenue collected from each class.

RESPONSE:

Oakville Hydro calculated the SMDR and SMIRR based on the methodology proposed by PowerStream in EB-2011-0128.

Reference 2: Board Guideline G-2011-0001, Smart Meter Funding and Cost Recovery – Final Disposition, dated December 15, 2011, Page 19 Preamble: The Guideline states, “The Board views that, where practical and where data is available, class specific SMDRs should be calculated on full cost causality.”

- c) Please complete a separate smart meter revenue requirement model by rate class.

RESPONSE:

Oakville Hydro has completed a separate smart meter revenue requirement model by rate class and provided copies as Attachment B and C to this document.

- d) Please re-calculate the SMDR & SMIRR rate riders based on full cost causality by rate class.

RESPONSE:

Oakville Hydro has re-calculated the SMDR & SMIRR rate riders on full cost causality by rate class by completing a separate smart meter revenue requirement model by rate class in response to part (c) of this interrogatory. Oakville Hydro notes that this methodology results in the allocation of a larger portion of the SMDR credit to the Residential rate class than the methodology proposed by PowerStream in EB-2011-0128 which allocated the Smart Meter True-up in proportion to the revenue requirement calculated for each class.

The two separate models reflect the difference between the revenue requirement for each rate class and the revenues collect from each rate class through the smart meter funding adder. Oakville Hydro suggests that this method of calculating the SMDR reflects full cost causality and, as such, is a more reasonable approach. Oakville Hydro has updated its SMDR and SMIRR by rate class in the following tables based on this methodology.

Smart Meter Actual Cost Recovery Rate Rider - SMDR Calculated by Rate Class			
Allocators	Total	Residential	GS < 50
Average Smart Meter Unit Cost	\$ 140.30	\$ 114.82	\$ 438.69
Smart Meter Cost	\$8,941,917	\$6,742,347	\$2,199,570
Allocation of Smart Meter Costs	100.00%	75.40%	24.60%
Number of meters installed	63,734	58,720	5,014
Percentage of meters installed	100.00%	92.13%	7.87%
Total Return (deemed interest plus return on equity)	\$ 1,040,018	\$ 786,215	\$ 253,803
Amortization	\$ 1,139,463	\$ 859,173	\$ 280,290
OM&A	\$ 1,106,201	\$ 1,019,176	\$ 87,026
Carrying Charges	\$ 34,330	\$ 31,629	\$ 2,701
Total Before PILs	\$3,320,013	\$2,696,193	\$ 623,819
PILs	\$ 108,827	\$ 82,543	\$ 26,284
Total Revenue Requirement 2006 to 2011	\$3,428,840	\$2,778,736	\$ 650,104
Smart Meter Rate Adder Revenues	(\$3,645,357)	(\$3,312,395)	(\$332,962)
Carrying Charge	(\$95,579)	(\$85,564)	(\$10,015)
Smart Meter True-up	(\$312,096)	(\$619,223)	\$307,127
Metered Customers	62,675	57,777	4,898
Rate Rider to Recover Smart Meter Costs - 2 yrs	\$ (0.21)	\$ (0.45)	\$ 2.61

Smart Meter Actual Cost Recovery Rate Rider - SMIRR			
Calculated by Rate Class			
Allocators	Total	Residential	GS < 50
Average Smart Meter Costs	\$ 140.30	\$ 114.82	\$ 438.69
Smart Meter Cost	\$8,941,917	\$6,742,347	\$2,199,570
Allocation of Smart Meter Costs	100.00%	75.40%	24.60%
Number of meters installed	63,734	58,720	5,014
Percentage of meters installed	100.00%	92.13%	7.87%
Total Return (deemed interest plus return on equity)	\$ 641,439	\$ 484,728	\$ 156,710
Amortization	\$ 809,304	\$ 610,228	\$ 199,076
OM&A	\$ 585,147	\$ 539,113	\$ 46,034
Total Before PILs	\$2,035,889	\$1,634,069	\$ 401,820
PILs	\$ 118,786	\$ 89,773	\$ 29,014
Total Revenue Requirement 2012	\$2,154,675	\$1,723,842	\$ 430,834
Metered Customers	62,675	57,777	4,898
Rate Rider to Recover Smart Meter Costs	\$ 2.86	\$ 2.49	\$ 7.33

- e) Please provide a table that summarizes the total Smart Meter Rate Adder Revenue collected by customer class.

RESPONSE:

The following table summarizes the total Smart Meter Rate Adder Revenue collected by class.

Smart Meter Adder Revenue by Class

Year	Residential	GS < 50 kW
2006	\$ 73,430	\$ 21,721
2007	171,892	16,395
2008	176,435	16,577
2009	440,470	40,131
2010	920,992	84,210
2011	1,141,170	114,871
2012	388,006	39,057
	\$ 3,312,395	\$ 332,962

VECC Question # 11

Reference 1: Smart Meter Model (V2_17)

- a) Column S of Sheet 2 shows capital and OM&A expenses for 2012. Please provide a table that summarizes the one-time expenses (in 2012 only) and ongoing expenses for meters installed, as of December 31, 2011.

RESPONSE:

For convenience please see Oakville Hydro response to Board staff interrogatory number 16(a) has been replicated here.

The following table summarizes the amounts that form the basis for the calculation of the SMIRR. Those costs that have been identified as one-time costs have been amortized over the two-year period before Oakville Hydro's next scheduled cost of service application.

2012 Smart Meter Costs				
Capital Costs	On-going Costs	One-time Costs (Annualized)	Total	Description
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	200,000		200,000	System Upgrades (CIS in 2012, ODS in 2013)
Total Smart Meter Capital Costs	200,000		200,000	
OM&A Expenses Related to Minimum Functionality				
2.2.1 Maintenance	138,775		138,775	External: RNI Maintenance
2.3.2 Software Maintenance (may include maintenance support, etc.)	6,120		6,120	External Security Audit
	121,728		121,728	Incremental Staff (AMCC Support)
2.5.1 Business Process Redesign	19,220	44,260	63,480	Incremental Staff
		80,000	80,000	External Consultants
2.5.6 Other AMI Expenses	116,794		116,794	External: ODS Management
Total Other AMI OM&A Costs Related to Minimum Functionality	402,637	124,260	526,897	
2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	13,250		13,250	Incremental Staff: Ongoing communications costs
		45,000	45,000	External: Consulting fees: MDM/R integration, CIS upgrades
Total OM&A Costs Beyond Minimum Functionality	13,250	45,000	58,250	
Total Smart Meter OM&A Costs	415,887	169,260	585,147	

- b) For the SMDR, please provide the calculation using a period of 1 year instead of 2 years and discuss the impact.

RESPONSE:

The following table provides the SMDR calculation using a period of one year period instead of two years.

Smart Meter Actual Cost Recovery Rate Rider - SMDR			
Calculated by Rate Class			
Allocators	Total	Residential	GS < 50
Average Smart Meter Unit Cost	\$ 140.30	\$ 114.82	\$ 438.69
Smart Meter Cost	\$8,941,917	\$6,742,347	\$2,199,570
Allocation of Smart Meter Costs	100.00%	75.40%	24.60%
Number of meters installed	63,734	58,720	5,014
Percentage of meters installed	100.00%	92.13%	7.87%
Total Return (deemed interest plus return on equity)	\$ 1,040,018	\$ 786,215	\$ 253,803
Amortization	\$ 1,139,463	\$ 859,173	\$ 280,290
OM&A	\$ 1,106,201	\$ 1,019,176	\$ 87,026
Carrying Charges	\$ 34,330	\$ 31,629	\$ 2,701
Total Before PILs	\$3,320,013	\$2,696,193	\$ 623,819
PILs	\$ 108,827	\$ 82,543	\$ 26,284
Total Revenue Requirement 2006 to 2011	\$3,428,840	\$2,778,736	\$ 650,104
Smart Meter Rate Adder Revenues	(\$3,645,357)	(\$3,312,395)	(\$332,962)
Carrying Charge	(\$95,579)	(\$85,564)	(\$10,015)
Smart Meter True-up	(\$312,096)	(\$619,223)	\$307,127
Metered Customers	62,675	57,777	4,898
Rate Rider to Recover Smart Meter Costs - 1 yr	\$ (0.41)	\$ (0.89)	\$ 5.23

As illustrated in the bill impact worksheets on the following pages, the total bill impact of both the SMDR and SMIRR using a one-year period for the SMDR reduces the bill impact from 1.87% to 1.47% for Residential customers and increases the bill impact for General Services < 50 kW customers from 3.49% to 4.41% based on Oakville Hydro's 2012 approved Tariff of Rates and Charges, OEB-2011-0189. In the following year, all else being equal, Residential customers would see an increase in their bill of 0.8% and General Services < 50 kW customers would see a decrease of 1.76%.

Bill Impacts - Two Year Dispositon of SMDR

Customer Class:

Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 13.0500	1	\$ 13.05	\$ 13.0500	1	\$ 13.05	\$ -	0.00%
Smart Meter Rate Adder	Monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)	Monthly		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0142	800	\$ 11.36	\$ 0.0142	800	\$ 11.36	\$ -	0.00%
Low Voltage Rate Adder	per kWh	\$ 0.00020	800	\$ 0.16	\$ 0.00020	800	\$ 0.16	\$ -	0.00%
Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
Volumetric Rate Rider(s)		\$ 0.0018	800	\$ 1.44	\$ 0.0018	800	\$ 1.44	\$ -	0.00%
Smart Meter Disposition Rider	Monthly		1	\$ -	-\$ 0.4500	1	-\$ 0.45	-\$ 0.45	
LRAM & SSM Rate Rider	per kWh	\$ 0.00034	800	\$ 0.27	\$ 0.0003	800	\$ 0.27	\$ -	0.00%
Deferral/Variance Account	per kWh	-\$ 0.0047	800	-\$ 3.76	-\$ 0.0047	800	-\$ 3.76	\$ -	0.00%
Disposition Rate Rider									
Tax Change Rate Rider	per kWh	-\$ 0.0004	800	-\$ 0.32	-\$ 0.0004	800	-\$ 0.32	\$ -	0.00%
SMIRR	Monthly		1	\$ -	\$ 2.4900	1	\$ 2.49	\$ 2.49	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
Sub-Total A - Distribution				\$ 22.20			\$ 24.24	\$ 2.04	9.19%
RTSR - Network	per kWh	\$ 0.0075	830.16	\$ 6.23	\$ 0.0075	830.16	\$ 6.23	\$ -	0.00%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0052	830.16	\$ 4.32	\$ 0.0052	830.16	\$ 4.32	\$ -	0.00%
Sub-Total B - Delivery (including Sub-Total A)				\$ 32.75			\$ 34.79	\$ 2.04	6.23%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	830.16	\$ 4.32	\$ 0.0052	830.16	\$ 4.32	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	830.16	\$ 0.91	\$ 0.0011	830.16	\$ 0.91	\$ -	0.00%
Special Purpose Charge			830.16	\$ -		830.16	\$ -	\$ -	
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
Energy	per kWh		830.16	\$ -		830.16	\$ -	\$ -	
Tier One	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%
Tier Two	per kWh	\$ 0.0880	230.16	\$ 20.25	\$ 0.0880	230.16	\$ 20.25	\$ -	0.00%
Total Bill (before Taxes)				\$ 109.08			\$ 111.12	\$ 2.04	1.87%
HST		13%		\$ 14.18	13%		\$ 14.45	\$ 0.27	1.87%
Total Bill (including Sub-total B)				\$ 123.26			\$ 125.56	\$ 2.30	1.87%
Ontario Clean Energy Benefit ¹				-\$ 12.33			-\$ 12.56	-\$ 0.23	1.87%
Total Bill (including OCEB)				\$ 110.93			\$ 113.00	\$ 2.07	1.87%

Bill Impacts - Two Year Disposition of SMDR

Customer Class:		GS < 50 kW							
Consumption		2000 kWh							
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 32.0900	1	\$ 32.09	\$ 32.0900	1	\$ 32.09	\$ -	0.00%
Smart Meter Rate Adder	Monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)	Monthly		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0141	2000	\$ 28.20	\$ 0.0141	2000	\$ 28.20	\$ -	0.00%
Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0002	2000	\$ 0.40	\$ -	0.00%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)		\$ 0.0015	2000	\$ 3.00	\$ 0.0015	2000	\$ 3.00	\$ -	0.00%
Smart Meter Disposition Rider	Monthly		1	\$ -	\$ 2.6100	1	\$ 2.61	\$ 2.61	
LRAM & SSM Rate Rider	per kWh	\$ 0.00032	2000	\$ 0.64	\$ 0.00032	2000	\$ 0.64	\$ -	0.00%
Deferral/Variance Account	per kWh	-\$ 0.0027	2000	-\$ 5.40	-\$ 0.0027	2000	-\$ 5.40	\$ -	0.00%
Disposition Rate Rider									
Tax Change Rate Rider	per kWh	-\$ 0.0003	2000	-\$ 0.60	-\$ 0.0003	2000	-\$ 0.60	\$ -	0.00%
SMIRR	Monthly		1	\$ -	\$ 7.3300	1	\$ 7.33	\$ 7.33	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
Sub-Total A - Distribution				\$ 58.33			\$ 68.27	\$ 9.94	17.04%
RTSR - Network	per kWh	\$ 0.0069	2075.4	\$ 14.32	\$ 0.0069	2075.4	\$ 14.32	\$ -	0.00%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	2075.4	\$ 9.75	\$ 0.0047	2075.4	\$ 9.75	\$ -	0.00%
Sub-Total B - Delivery (including Sub-Total A)				\$ 82.40			\$ 92.34	\$ 9.94	12.06%
Wholesale Market Service Charge (WMS)	per kWh	\$ 0.0052	2075.4	\$ 10.79	\$ 0.0052	2075.4	\$ 10.79	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	2075.4	\$ 2.28	\$ 0.0011	2075.4	\$ 2.28	\$ -	0.00%
Special Purpose Charge			2075.4	\$ -		2075.4	\$ -	\$ -	
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy	per kWh		2075.4	\$ -		2075.4	\$ -	\$ -	
Tier One	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%
Tier Two	per kWh	\$ 0.0880	1475.4	\$ 129.84	\$ 0.0880	1475.4	\$ 129.84	\$ -	0.00%
Total Bill (before Taxes)				\$ 284.56			\$ 294.50	\$ 9.94	3.49%
HST		13%		\$ 36.99	13%		\$ 38.29	\$ 1.29	3.49%
Total Bill (including Sub-total B)				\$ 321.56			\$ 332.79	\$ 11.23	3.49%
Ontario Clean Energy Benefit ¹				-\$ 32.16			-\$ 33.28	-\$ 1.12	3.48%
Total Bill (including OCEB)				\$ 289.40			\$ 299.51	\$ 10.11	3.49%

Bill Impacts - One Year Dispositon of SMDR

Customer Class:		Residential									
Consumption		800 kWh									
	Charge Unit	Current Board-Approved			Proposed			Impact			
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change		
Monthly Service Charge	Monthly	\$ 13.0500	1	\$ 13.05	\$ 13.0500	1	\$ 13.05	\$ -	0.00%		
Smart Meter Rate Adder	Monthly		1	\$ -		1	\$ -	\$ -			
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -			
Service Charge Rate Rider(s)	Monthly		1	\$ -		1	\$ -	\$ -			
Distribution Volumetric Rate	per kWh	\$ 0.0142	800	\$ 11.36	\$ 0.0142	800	\$ 11.36	\$ -	0.00%		
Low Voltage Rate Adder	per kWh	\$ 0.00020	800	\$ 0.16	\$ 0.00020	800	\$ 0.16	\$ -	0.00%		
Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -			
Volumetric Rate Rider(s)		\$ 0.0018	800	\$ 1.44	\$ 0.0018	800	\$ 1.44	\$ -	0.00%		
Smart Meter Disposition Rider	Monthly		1	\$ -	-\$ 0.8900	1	-\$ 0.89	-\$ 0.89			
LRAM & SSM Rate Rider	per kWh	\$ 0.00034	800	\$ 0.27	\$ 0.0003	800	\$ 0.27	\$ -	0.00%		
Deferral/Variance Account	per kWh	-\$ 0.0047	800	-\$ 3.76	-\$ 0.0047	800	-\$ 3.76	\$ -	0.00%		
Disposition Rate Rider											
Tax Change Rate Rider	per kWh	-\$ 0.0004	800	-\$ 0.32	-\$ 0.0004	800	-\$ 0.32	\$ -	0.00%		
SMIRR	Monthly		1	\$ -	\$ 2.4900	1	\$ 2.49	\$ 2.49			
				\$ -			\$ -	\$ -			
				\$ -			\$ -	\$ -			
Sub-Total A - Distribution				\$ 22.20			\$ 23.80	\$ 1.60	7.21%		
RTSR - Network	per kWh	\$ 0.0075	830.16	\$ 6.23	\$ 0.0075	830.16	\$ 6.23	\$ -	0.00%		
RTSR - Line and Transformation Connection	per kWh	\$ 0.0052	830.16	\$ 4.32	\$ 0.0052	830.16	\$ 4.32	\$ -	0.00%		
Sub-Total B - Delivery (including Sub-Total A)				\$ 32.75			\$ 34.35	\$ 1.60	4.89%		
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	830.16	\$ 4.32	\$ 0.0052	830.16	\$ 4.32	\$ -	0.00%		
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	830.16	\$ 0.91	\$ 0.0011	830.16	\$ 0.91	\$ -	0.00%		
Special Purpose Charge			830.16	\$ -		830.16	\$ -	\$ -			
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%		
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%		
Energy	per kWh		830.16	\$ -		830.16	\$ -	\$ -			
Tier One	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%		
Tier Two	per kWh	\$ 0.0880	230.16	\$ 20.25	\$ 0.0880	230.16	\$ 20.25	\$ -	0.00%		
Total Bill (before Taxes)				\$ 109.08			\$ 110.68	\$ 1.60	1.47%		
HST		13%		\$ 14.18	13%		\$ 14.39	\$ 0.21	1.47%		
Total Bill (including Sub-total B)				\$ 123.26			\$ 125.07	\$ 1.81	1.47%		
Ontario Clean Energy Benefit ¹				-\$ 12.33			-\$ 12.51	-\$ 0.18	1.46%		
Total Bill (including OCEB)				\$ 110.93			\$ 112.56	\$ 1.63	1.47%		

Bill Impacts - One Year Disposition of SMDR

Customer Class: **GS < 50 kW**

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 32.0900	1	\$ 32.09	\$ 32.0900	1	\$ 32.09	\$ -	0.00%
Smart Meter Rate Adder	Monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)	Monthly		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0141	2000	\$ 28.20	\$ 0.0141	2000	\$ 28.20	\$ -	0.00%
Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0002	2000	\$ 0.40	\$ -	0.00%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)		\$ 0.0015	2000	\$ 3.00	\$ 0.0015	2000	\$ 3.00	\$ -	0.00%
Smart Meter Disposition Rider	Monthly		1	\$ -	\$ 5.2300	1	\$ 5.23	\$ 5.23	
LRAM & SSM Rate Rider	per kWh	\$ 0.00032	2000	\$ 0.64	\$ 0.00032	2000	\$ 0.64	\$ -	0.00%
Deferral/Variance Account	per kWh	-\$ 0.0027	2000	-\$ 5.40	-\$ 0.0027	2000	-\$ 5.40	\$ -	0.00%
Disposition Rate Rider									
Tax Change Rate Rider	per kWh	-\$ 0.0003	2000	-\$ 0.60	-\$ 0.0003	2000	-\$ 0.60	\$ -	0.00%
SMIRR	Monthly		1	\$ -	\$ 7.3300	1	\$ 7.33	\$ 7.33	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
Sub-Total A - Distribution				\$ 58.33			\$ 70.89	\$ 12.56	21.53%
RTSR - Network	per kWh	\$ 0.0069	2075.4	\$ 14.32	\$ 0.0069	2075.4	\$ 14.32	\$ -	0.00%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	2075.4	\$ 9.75	\$ 0.0047	2075.4	\$ 9.75	\$ -	0.00%
Sub-Total B - Delivery (including Sub-Total A)				\$ 82.40			\$ 94.96	\$ 12.56	15.24%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2075.4	\$ 10.79	\$ 0.0052	2075.4	\$ 10.79	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	2075.4	\$ 2.28	\$ 0.0011	2075.4	\$ 2.28	\$ -	0.00%
Special Purpose Charge			2075.4	\$ -		2075.4	\$ -	\$ -	
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy	per kWh		2075.4	\$ -		2075.4	\$ -	\$ -	
Tier One	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%
Tier Two	per kWh	\$ 0.0880	1475.4	\$ 129.84	\$ 0.0880	1475.4	\$ 129.84	\$ -	0.00%
Total Bill (before Taxes)				\$ 284.56			\$ 297.12	\$ 12.56	4.41%
HST		13%		\$ 36.99	13%		\$ 38.63	\$ 1.63	4.41%
Total Bill (including Sub-total B)				\$ 321.56			\$ 335.75	\$ 14.19	4.41%
Ontario Clean Energy Benefit ¹				-\$ 32.16			-\$ 33.58	-\$ 1.42	4.42%
Total Bill (including OCEB)				\$ 289.40			\$ 302.17	\$ 12.77	4.41%

Bill Impacts - Expiry of One Year Dispositon of SMDR

Customer Class:		Residential							
Consumption		800 kWh							
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 13.0500	1	\$ 13.05	\$ 13.0500	1	\$ 13.05	\$ -	0.00%
Smart Meter Rate Adder	Monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)	Monthly		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0142	800	\$ 11.36	\$ 0.0142	800	\$ 11.36	\$ -	0.00%
Low Voltage Rate Adder	per kWh	\$ 0.00020	800	\$ 0.16	\$ 0.00020	800	\$ 0.16	\$ -	0.00%
Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
Volumetric Rate Rider(s)		\$ 0.0018	800	\$ 1.44	\$ 0.0018	800	\$ 1.44	\$ -	0.00%
Smart Meter Disposition Rider	Monthly	-\$ 0.8900	1	-\$ 0.89		1	\$ -	\$ 0.89	-100.00%
LRAM & SSM Rate Rider	per kWh	\$ 0.00034	800	\$ 0.27	\$ 0.0003	800	\$ 0.27	\$ -	0.00%
Deferral/Variance Account	per kWh	-\$ 0.0047	800	-\$ 3.76	-\$ 0.0047	800	-\$ 3.76	\$ -	0.00%
Disposition Rate Rider									
Tax Change Rate Rider	per kWh	-\$ 0.0004	800	-\$ 0.32	-\$ 0.0004	800	-\$ 0.32	\$ -	0.00%
SMIRR	Monthly	\$ 2.4900	1	\$ 2.49	\$ 2.4900	1	\$ 2.49	\$ -	0.00%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
Sub-Total A - Distribution				\$ 23.80			\$ 24.69	\$ 0.89	3.74%
RTSR - Network	per kWh	\$ 0.0075	830.16	\$ 6.23	\$ 0.0075	830.16	\$ 6.23	\$ -	0.00%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0052	830.16	\$ 4.32	\$ 0.0052	830.16	\$ 4.32	\$ -	0.00%
Sub-Total B - Delivery (including Sub-Total A)				\$ 34.35			\$ 35.24	\$ 0.89	2.59%
Wholesale Market Service Charge (WMS)	per kWh	\$ 0.0052	830.16	\$ 4.32	\$ 0.0052	830.16	\$ 4.32	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	830.16	\$ 0.91	\$ 0.0011	830.16	\$ 0.91	\$ -	0.00%
Special Purpose Charge			830.16	\$ -		830.16	\$ -	\$ -	
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
Energy	per kWh		830.16	\$ -		830.16	\$ -	\$ -	
Tier One	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%
Tier Two	per kWh	\$ 0.0880	230.16	\$ 20.25	\$ 0.0880	230.16	\$ 20.25	\$ -	0.00%
Total Bill (before Taxes)				\$ 110.68			\$ 111.57	\$ 0.89	0.80%
HST		13%		\$ 14.39	13%		\$ 14.50	\$ 0.12	0.80%
Total Bill (including Sub-total B)				\$ 125.07			\$ 126.07	\$ 1.00	0.80%
Ontario Clean Energy Benefit				-\$ 12.51			-\$ 12.61	-\$ 0.10	0.80%
Total Bill (including OCEB)				\$ 112.56			\$ 113.46	\$ 0.90	0.80%

Bill Impacts - Expiry of One Year Dispositon of SMDR

Customer Class:

GS < 50 kW

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 32.0900	1	\$ 32.09	\$ 32.0900	1	\$ 32.09	\$ -	0.00%
Smart Meter Rate Adder	Monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)	Monthly		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0141	2000	\$ 28.20	\$ 0.0141	2000	\$ 28.20	\$ -	0.00%
Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0002	2000	\$ 0.40	\$ -	0.00%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)		\$ 0.0015	2000	\$ 3.00	\$ 0.0015	2000	\$ 3.00	\$ -	0.00%
Smart Meter Disposition Rider	Monthly	\$ 5.2300	1	\$ 5.23		1	\$ -	-\$ 5.23	-100.00%
LRAM & SSM Rate Rider	per kWh	\$ 0.00032	2000	\$ 0.64	\$ 0.00032	2000	\$ 0.64	\$ -	0.00%
Deferral/Variance Account	per kWh	-\$ 0.0027	2000	-\$ 5.40	-\$ 0.0027	2000	-\$ 5.40	\$ -	0.00%
Disposition Rate Rider									
Tax Change Rate Rider	per kWh	-\$ 0.0003	2000	-\$ 0.60	-\$ 0.0003	2000	-\$ 0.60	\$ -	0.00%
SMIRR	Monthly	\$ 7.3300	1	\$ 7.33	\$ 7.3300	1	\$ 7.33	\$ -	0.00%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
Sub-Total A - Distribution				\$ 70.89			\$ 65.66	-\$ 5.23	-7.38%
RTSR - Network	per kWh	\$ 0.0069	2075.4	\$ 14.32	\$ 0.0069	2075.4	\$ 14.32	\$ -	0.00%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	2075.4	\$ 9.75	\$ 0.0047	2075.4	\$ 9.75	\$ -	0.00%
Sub-Total B - Delivery (including Sub-Total A)				\$ 94.96			\$ 89.73	-\$ 5.23	-5.51%
Wholesale Market Service Charge (WMS)	per kWh	\$ 0.0052	2075.4	\$ 10.79	\$ 0.0052	2075.4	\$ 10.79	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	2075.4	\$ 2.28	\$ 0.0011	2075.4	\$ 2.28	\$ -	0.00%
Special Purpose Charge			2075.4	\$ -		2075.4	\$ -	\$ -	
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy	per kWh		2075.4	\$ -		2075.4	\$ -	\$ -	
Tier One	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%
Tier Two	per kWh	\$ 0.0880	1475.4	\$ 129.84	\$ 0.0880	1475.4	\$ 129.84	\$ -	0.00%
Total Bill (before Taxes)				\$ 297.12			\$ 291.89	-\$ 5.23	-1.76%
HST		13%		\$ 38.63	13%		\$ 37.95	-\$ 0.68	-1.76%
Total Bill (including Sub-total B)				\$ 335.75			\$ 329.84	-\$ 5.91	-1.76%
Ontario Clean Energy Benefit ¹				-\$ 33.58			-\$ 32.98	\$ 0.60	-1.79%
Total Bill (including OCEB)				\$ 302.17			\$ 296.86	-\$ 5.31	-1.76%

Attachment A

Audited Financial Statements

Financial Statements of

**OAKVILLE HYDRO ELECTRICITY
DISTRIBUTION INC.**

December 31, 2011

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Oakville Hydro Electricity Distribution Inc.

We have audited the accompanying financial statements of Oakville Hydro Electricity Distribution Inc. ("the Entity"), which comprise the balance sheet as at December 31, 2011, and the statements of operations and deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oakville Hydro Electricity Distribution Inc. as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada
March, 29, 2012

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Table of Contents

December 31, 2011

	<u>Page</u>
Balance Sheet	1
Statement of Operations and Deficit	2
Statement of Cash Flows	3
Notes to the Financial Statements	4-20

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Balance Sheet

December 31, 2011

(in thousands of dollars)

	2011	2010
ASSETS		
CURRENT		
Cash and cash equivalents	\$ -	\$ 1,618
Accounts receivable	37,033	31,103
Inventories (Note 3)	4,068	3,632
Prepaid expenses	345	519
	41,446	36,872
OTHER		
Due from related parties (Note 14)	9,851	-
Long term receivable	137	163
Future income taxes (Note 5)	20,557	22,445
	30,545	22,608
CAPITAL ASSETS (Note 6)	141,441	125,216
	\$ 213,432	\$ 184,696
LIABILITIES		
CURRENT		
Bank overdraft	\$ 16,430	\$ -
Accounts payable and accrued charges	27,188	27,965
Consumer deposits	5,169	5,008
Capital lease obligation (Note 9)	299	274
	49,086	33,247
OTHER		
Due to related parties (Note 14)	-	6,632
Regulatory liabilities (Note 4)	10,071	17,383
Post employment benefits (Note 7)	7,667	7,473
Capital lease obligation (Note 9)	11,986	12,285
Long-term debt (Notes 10 and 14)	67,946	67,946
	97,670	111,719
	146,756	144,966
SHAREHOLDER'S EQUITY		
SHARE CAPITAL		
Authorized and issued - 1,407 common shares (Note 11)	76,108	54,108
Deficit	(9,432)	(14,378)
	66,676	39,730
	\$ 213,432	\$ 184,696

See accompanying notes to the financial statements

APPROVED BY THE BOARD

..... Director

..... Director

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Statement of Operations and Deficit

Year ended December 31, 2011

(in thousands of dollars)

	<u>2011</u>	<u>2010</u>
REVENUE		
Energy and distribution revenue	\$ 170,215	\$ 160,191
Cost of power	(138,130)	(130,385)
Net distribution revenue	32,085	29,806
Other revenues	3,474	4,821
	<u>35,559</u>	<u>34,627</u>
EXPENSES		
Personnel costs	11,442	10,723
Contract services	3,211	2,070
Property and occupancy costs	1,176	1,098
Material costs	289	383
Other costs	4,552	4,477
Costs allocated to capital	(6,087)	(5,793)
	<u>14,583</u>	<u>12,958</u>
EARNINGS BEFORE AMORTIZATION, INTEREST AND INCOME TAXES	20,976	21,669
AMORTIZATION	(10,220)	(9,997)
INTEREST (Notes 10 and 14)	(5,834)	(5,344)
INCOME BEFORE INCOME TAXES	4,922	6,328
PROVISION FOR INCOME TAXES (Note 5)	(24)	1,673
NET INCOME	4,946	4,655
DEFICIT, BEGINNING OF YEAR	(14,378)	(19,033)
DEFICIT, END OF YEAR	\$ (9,432)	\$ (14,378)

See accompanying notes to the financial statements

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Statement of Cash Flows

Year ended December 31, 2011

(in thousands of dollars)

	2011	2010
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income	\$ 4,946	\$ 4,655
Items not affecting cash		
Amortization	10,220	9,997
Future income taxes	892	973
Post employment benefits	194	196
	16,252	15,821
Changes in non-cash working capital items		
Accounts receivable	(5,904)	(4,260)
Accounts payable and accrued charges	(777)	402
Other	(262)	1,074
	9,309	13,037
FINANCING		
Consumer deposits	161	(1,035)
Contributions in aid of construction	2,546	2,684
Capital lease obligation	(274)	(343)
	2,433	1,306
INVESTING		
Amount due from related parties	5,517	19,104
Additions to capital assets	(29,861)	(29,693)
IRU purchase in excess of net book value	-	(681)
Regulatory liabilities	(5,446)	(9,715)
	(29,790)	(20,985)
DECREASE IN CASH AND CASH EQUIVALENTS	(18,048)	(6,642)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,618	8,260
CASH AND CASH EQUIVALENTS (BANK OVERDRAFT), END OF YEAR	\$ (16,430)	\$ 1,618

See accompanying notes to the financial statements

SUPPLEMENTARY INFORMATION

Interest paid	\$ 5,809	\$ 5,285
Income tax paid	\$ 1,183	\$ 2,177
Acquisition of capital assets through non-cash capital contributions	\$ 2,167	\$ 1,059
Decrease in regulatory liabilities for stranded meters transferred from fixed assets	\$ 870	\$ 2,795
Decrease in regulatory liabilities related to decrease in future tax assets	996	(584)

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

1. NATURE OF OPERATIONS

Oakville Hydro Electricity Distribution Inc. (the "Corporation"), is a wholly-owned subsidiary of Oakville Hydro Corporation and was incorporated January 28, 2000 under the laws of the Province of Ontario.

The principal activity of the Corporation is to distribute electricity to the residents and businesses in the Town of Oakville, under a license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the Corporation's distribution and power rates require OEB approval.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and policies set forth in the Accounting Procedures Handbook issued by the Ontario Energy Board under the authority of the Ontario Energy Board Act, 1998:

(a) *Measurement uncertainty*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures thereto. Due to inherent uncertainty in making estimates, actual results could differ from estimates recorded in preparing these financial statements, including changes as a result of future regulatory decisions.

Accounts receivable, regulatory assets and liabilities are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts. Inventories are recorded net of provisions for obsolescence. Amounts recorded for amortization of capital assets are based on estimates of useful service life. Post employment benefits are based on certain assumptions, including interest (discount) rates, salary escalation, the average retirement age of employees, employee turnover and expected health and dental costs.

(b) *Cash and cash equivalents*

Cash and cash equivalents include demand deposits held and may also include short-term investments that are readily convertible to cash without significant loss in value. These short-term investments are comprised of bankers' acceptances and bankers' demand notes issued by Canadian banks.

(c) *Inventories*

Inventories are stated at the lower of cost and net realizable value and consist of maintenance materials and supplies. Cost is determined on a weighted average basis. Major spare parts and standby equipment are presented as capital assets as they are used during more than one period.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Capital assets*

Capital assets are recorded at cost, and are amortized over their estimated service lives using the straight-line method of amortization. In the year of addition or completion, a half a year of amortization is taken on the asset. Construction in progress assets are not amortized until the project is complete and in service. The Corporation has not capitalized interest to the cost of assets constructed.

The estimated service lives of the various assets used in calculating amortization are as follows:

Asset	Rate
Buildings and leasehold improvements	50 – 60 years
Transmission and distribution system	15 – 50 years
Building under capital lease	20 years
Office equipment	5 – 10 years
Computer equipment and software	3 – 10 years
Plant and equipment	3 – 20 years

Contributions in aid of construction consist of third party contributions toward the cost of constructing distribution assets and may be refunded by the Corporation based on future economic evaluations, in accordance with the OEB Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding with the useful lives of the related capital assets, until such time as they are repayable to the third party contributor.

(e) *Post employment benefits other than pension*

The Corporation provides its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans. The cost of these benefits is expensed as earned by employees through employment service. The excess of the net accumulated actuarial gains (losses) over 10% of the accrued benefit obligation is amortized over the average remaining service period of active employees. The expected average remaining service life of the current active group is 13.5 years.

(f) *Regulatory environment*

The Corporation is regulated by the OEB, under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Regulatory environment (continued)*

The distribution rates of the Corporation are based on a revenue requirement that provides a regulated Maximum Allowable Return on Equity on the amount of the deemed equity component of rate base. The Corporation files a rate application with the OEB annually. Rates are typically effective May 1 to April 30 of the following year. Accordingly, for the first four months of 2011, distribution revenue is based on the rates approved for 2010. Once every four years, the Corporation files a cost of service rate application where rates are rebased through a cost of service review. In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. A cost of service application is based upon a forecast of the amount of operating and capital expenses, debt and shareholder's equity required to support the Corporation's business. An IRM application results in a formulaic adjustment to distribution rates to increase distribution rates for the annual change in the Gross Domestic Product Inflationary Price Index for Final Domestic Demand net of a productivity factor and a "Stretch Factor" determined by the relative efficiency of an electricity distributor.

In August 2009, OHEDI filed a cost of service rate application to adjust its distribution charges effective May 1, 2010. The service rate application was revised on February 18, 2010 and approved on April 30, 2010. The application allows a rate of return of debt and equity of up to 5.62% and 9.85% respectively, based on OHEDI's deemed debt (60%) and equity (40%) capital structure. The application also resulted in the disposition of the cumulative regulatory liabilities balances as at December 31, 2008 in the amount of \$7,387 over a three year period.

In September 2010, OHEDI filed an IRM application to adjust its distribution charges effective May 1, 2011. This application requested an increase in rates of 0.18%, and included the disposition and repayment of regulatory liabilities at December 31, 2009 of \$3,807 over a one year period. The OEB approved a rate rider to recover capital costs relating to the municipal transformer station in the amount of \$19,467 until April 30, 2014.

In September 2011, OHEDI filed an IRM to adjust its distribution charges effective May 1, 2012. This pending application requested an increase of 0.18%, as well as the disposition of balances for payments in lieu of taxes (Deferred PILS) of \$3,436 over a one year period.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Regulatory environment (continued)

Regulatory assets/liabilities – net regulatory assets (liabilities) represent costs incurred in excess of amounts billed to customers (or amounts recovered from customers in excess of costs incurred) at the OEB approved rates. These amounts have been accumulated pursuant to the Electricity Act and are deferred for their future resolution in electricity rates. Management assesses the future uncertainty with respect to the final disposition of those amounts and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities. Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

At December 31, 2011, regulatory liabilities incur interest at the rate of 1.47 % (2010 – 1.2%) per annum.

Settlement variances - represent amounts that have accumulated since January 1, 2009 and comprise:

- a) variances between amounts charged by the Independent Electricity System Operator (“IESO”) for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and,
- b) variances between the amounts charged by the IESO for energy commodity costs and the amounts billed to customers by the Corporation based on OEB approved rates.

Deferred PIL's (see Note 2(h))– represent variances that result from the difference between OEB approved PILs recoverable in electricity distribution services charges and the actual amount of these charges to customers that relates to the recovery of PILs and the impact of any tax rate changes not reflected in the OEB approved PIL's rates.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Regulatory environment (continued)*

Smart Meter Initiative

The Province of Ontario committed to have “Smart Meter” electricity meters installed in all homes and small businesses throughout Ontario by the end of 2010. Smart Meters permit electrical consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. *Bill 21, Energy Conservation and Responsibility Act*, provides the legislative framework and regulations to support this initiative.

Included in distribution rates effective May 1, 2010 was a charge for Smart Meters of \$1.69 per metered customer per month. This rate rider expires April 30, 2012 and the Corporation is applying for an additional rate rider to begin May 1, 2012. The Corporation anticipates that its distribution rates will be adjusted for the incremental investments related to its deployment plan for Smart Meters.

The continuing restructuring of Ontario’s electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets/liabilities.

In the absence of rate regulation, generally accepted accounting principles would require the Corporation to record the costs and recoveries described above in the operating results of the year in which they are incurred and income before income taxes would be \$ 4,600 lower than reported (2010 – \$ 5,418) and capital assets \$1,715 (2010- \$7,093) higher than reported.

Green Energy and Green Economy Act

In early 2009, the government tabled the Green Energy and Green Economy Act. This new legislation makes fundamental changes to the roles and responsibilities of local distribution companies (“LDCs”) in the areas of renewable power generation, conservation and demand management delivery, and the development of smart distribution grids.

The Green Energy and Green Economy Act provides LDCs with the freedom to own and operate a portfolio of renewable power generation assets and will permit them to provide district heating services in their communities through co-generation. LDCs will also bear added responsibilities to assist and enable consumers to reduce their peak demand and conserve energy in an effort to meet provincial conservation targets. LDCs will also gain new responsibilities to transform their local distribution networks into smart grids harnessing advanced technologies to facilitate the connection of small-scale generators and the two-way flow of information.

On November 1, 2010, OHEDI filed the Conservation and Demand Management (“CDM”) Strategy in accordance with the Conservation and Demand Management Code for Electricity Distributors. This plan provided a description of how OHEDI intends to achieve the OEB directed CDM targets.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Revenue recognition and cost of power*

Energy revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power consumed. Revenues from other activities are recorded when goods are delivered or services are provided.

(h) *Payments in lieu of income taxes*

Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Corporation accounts for payments in lieu of corporate taxes using the liability method. Under the liability method, future income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized.

Payments in lieu of taxes are henceforth referred to as income taxes.

(i) *Impairment of long-lived assets*

Generally accepted accounting principles require that an impairment loss be recognized when events or circumstances indicate that the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. Any resulting impairment loss is recorded in the period in which the impairment occurs.

The Corporation has determined that there was no impairment of long-lived assets as at December 31, 2011.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Financial assets and liabilities*

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value, except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost.

The company has classified its financial instruments as follows:

Cash and cash equivalents	Held for trading
Accounts receivable	Loans and receivables
Long term receivable	Loans and receivables
Due from related parties	Loans and receivables
Accounts payable	Other liabilities
Consumer deposits	Other liabilities
Long-term debt	Other liabilities

Financial instruments

The Corporation has adopted CICA Handbook Sections 3862 Financial Instruments Disclosures and 3863 Financial Instruments Presentation. The adoption of these standards requires the disclosure of qualitative and quantitative information about the Corporation's risks associated with recognized and unrecognized financial instruments (see Note 13).

3. INVENTORIES

The amount of inventories consumed by the Corporation and recognized as an expense during 2011 was \$178 (2010 - \$202).

4. REGULATORY LIABILITIES

	2011	2010
Settlement of variances	\$ 2,632	\$ (2,426)
Recovery of previous regulatory assets	(5,876)	(5,947)
Other regulatory assets	766	903
Smart Meter deferral	14,306	12,592
Deferred income taxes	(3,436)	(3,046)
Customer liability of future taxes	(18,463)	(19,459)
Balance, end of year	\$ (10,071)	\$ (17,383)

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

5. INCOME TAXES

	2011	2010
Accounting income before tax	\$ 4,922	\$ 6,328
Increase (decrease) in taxable income resulting from:		
Non-deductible and non-taxable items	35	107
Timing differences	(6,227)	(2,863)
Taxable income	(1,270)	3,572
Tax rate	28.25%	31.00%

The income taxes provision consists of:

	2011	2010
Current	(359)	1,107
Future income tax expense relating to current year change in temporary differences	1,888	390
Regulatory liability relating to future tax expense	(996)	583
Other miscellaneous adjustments	(557)	(407)
Income tax provision	\$ (24)	\$ 1,673

Significant components of the Corporation's future tax balance as at December 31 are as follows:

	2011	2010
Post retirement benefits other than pensions	\$ 1,917	\$ 1,868
Plant and equipment	15,986	16,119
Regulatory costs	2,517	4,345
Tax reserves	137	113
Future income taxes	\$ 20,557	\$ 22,445

Future income tax rates are calculated using a 25% rate (2010- 25%).

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

6. CAPITAL ASSETS

	2011		2010	
	Cost	Accumulated Amortization	Net book value	Net book value
Land	\$ 1,648	\$ -	\$ 1,648	\$ 301
Land and building under capital lease	11,689	(6,991)	4,698	5,285
Buildings and leasehold improvements	4,124	(1,096)	3,028	2,251
Plant and equipment	5,300	(3,114)	2,186	2,186
Transmission and distribution system	236,195	(80,644)	155,551	125,693
Office equipment	871	(724)	147	168
Computer equipment and software	10,798	(9,025)	1,773	1,131
Construction in progress	2,695	-	2,695	15,237
	273,320	(101,594)	171,726	152,252
Contributions in aid of construction	(38,965)	8,681	(30,284)	(27,036)
Balance, end of year	\$ 234,355	(92,913)	141,441	\$ 125,216

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

7. POST EMPLOYMENT BENEFITS

The Corporation provides certain unfunded health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees earn the benefits, through their services. The accrued benefit liability and the expense for the year ended December 31, 2011 were based on results and assumptions determined by actuarial valuation as at January 1, 2010.

	2011	2010
Accrued benefit obligations, beginning of year	\$ 6,646	\$ 5,403
Estimated benefit expense for year	180	176
Interest expense	365	354
Actuarial loss for year	-	978
Benefits paid during the year	(289)	(265)
Accrued benefit obligation, end of year	6,902	6,646
Unamortized actuarial gain	765	827
Accrued benefit liability, end of year	\$ 7,667	\$ 7,473

In 2011, the amortization of the actuarial gain was \$62 (2010 - \$68).

The significant assumptions used are as follows (weighted average):

	2011	2010
Accrued benefit obligation as at December 31:		
Discount rate	5.50%	5.50%
Rate of compensation increase	3.00%	3.00%
Benefit cost of years ended December 31:		
Discount rate	5.50%	5.50%
Rate of compensation increase	3.00%	3.00%
Assumed health care cost trend rates at December 31:		
Initial health care cost trend rate	9.00%	9.00%
Cost trend rate declines to	4.00%	4.00%
Year that rate reaches the rate it is assumed to remain at	2025	2025

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

8. PENSIONS

The Corporation provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. Contributions by the Corporation were at a rate of 7.4% for employee earnings below the year's maximum pensionable earnings and 10.7% thereafter. In 2011, the Corporation made employer contributions of \$888 to OMERS (2010 - \$753).

9. CAPITAL LEASE OBLIGATION

The Corporation has a capital lease arrangement with the Town of Oakville for the head office at 861 Redwood Square. The initial term of the original lease expired on December 31, 2009 and a new agreement was renegotiated early in 2010 with an effective date of January 1, 2010. At the beginning of 2010, the Corporation derecognized the original lease and recognized the new lease obligation. The carrying value at January 1, 2010 was \$9,321. The Corporation recognized a loss on derecognition of \$3,581 which has been recorded in retained earnings in accordance with Canadian accounting standards for related party transactions.

The assets under capital lease are included in Capital Assets (see Note 6). The property under capital lease is amortized on a straight-line basis over the term of the lease agreement of 20 years.

Future minimum payments under the capital lease arrangement are as follows for the year-ends:

2012	\$ 1,345
2013	1,345
2014	1,345
2015	1,345
2016	1,345
2017 - 2029	17,485
	<hr/> 24,210
Less amount representing interest, imputed at 8.6%	(11,925)
Less current portion	(299)
Long-term portion of lease obligation	<hr/> \$ 11,986

10. LONG-TERM DEBT

The Corporation issued promissory notes effective February 1, 2000, held by the Town of Oakville, with principal repayment due on February 1, 2020. Future rates to be determined annually throughout the balance of the terms of the notes. At December 31, 2011 interest rates in effect were 5.87% (2010 - 6%)

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

11. SHARE CAPITAL

On December 19, 2011, the Corporation issued 407 common shares with no par value to Oakville Hydro Corporation for \$22,000. This issuance was used to settle an account payable to Oakville Hydro Corporation in the amount of \$14,470. The remaining balance of \$7,530 is outstanding and included in amounts due from related parties on the balance sheet at December 31, 2011.

12. GENERAL LIABILITY INSURANCE

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the electrical utilities in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to 5 years. As at December 31, 2011, no assessments have been made.

13. FINANCIAL INSTRUMENTS

The Corporation's fair value measurements are as follows:

Level 1

The carrying values of cash and cash equivalents, accounts receivable, consumer deposits and accounts payable approximate fair value because of the short maturity of these instruments.

Level 3

It is not practicable to determine the fair value of the long-term borrowings from the Town of Oakville due to the limited amount of comparable market information available.

The Corporation's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk.

i) Credit risk

Cash and cash equivalents are held in a Canadian Chartered Bank. Financial assets carry credit risk that a counter-party will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Town of Oakville. No single customer would account for revenue in excess of 10% of total revenue.

The carrying amount of accounts receivable is reduced through the use of an allowance for doubtful accounts and the amount of the related impairment loss is recognized in the statement of operations. Subsequent recoveries of receivables previously provisioned are credited to the statement of operations. The amount of the allowance for doubtful accounts at December 31, 2011 is \$352 (2010 - \$297).

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

13. FINANCIAL INSTRUMENTS (continued)

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2011, approximately \$211 (2010 - \$ 259) is considered 60 days past due. The Corporation has approximately 64,316 customers, the majority of which are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2011, the Corporation holds security deposits in the amount of \$5,169 (2010 - \$5,008).

Deposits from electricity distribution customers are applied against any unpaid portion of individual customer accounts. Consumer deposits in excess of unpaid account balances are refundable to individual customers upon termination of their electricity distribution service. Consumer deposits are also refundable to residential electricity distribution customers demonstrating an acceptable level of credit risk, as determined by the Corporation. Interest expense of \$24 was incurred on liabilities not held for trading in 2011 (2010 \$15).

ii) Market risk

Market risks primarily refer to the risk of loss that result from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates which is set every 4 years, the last one being 2010.

ii) Liquidity risk

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity exists to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a \$ 20,000 line of credit and monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

14. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions, recorded at the exchange amounts and balances with the Town of Oakville for the years ended December 31:

	2011	2010
Transactions:		
Revenue		
Energy sales	\$ 5,471	\$ 4,186
Expenses		
Interest on capital leases	1,095	1,002
Cashier services	4	3
Tree trimming services	197	259
Garage services	530	474
Property taxes	337	314
Interest on long-term debt	3,988	4,077
Balances:		
Amounts due to:		
Capital leases	12,285	12,559
Long-term debt	67,946	67,946

Included in accounts receivable reported in the balance sheet is \$11 owing from the Town of Oakville (2010 - \$183) relating to Energy sales and \$491 (2010 - \$530) relating to other receivables. Included in accounts payable reported in the balance sheet is \$3 owing to the Town of Oakville (2010 - \$1).

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

14. RELATED PARTY TRANSACTIONS (continued)

The following summarizes the Corporation's related party transactions, recorded at the exchange amounts and balances with the parent, Oakville Hydro Corporation, and its subsidiaries, for the years ended December 31:

	2011	2010
Transactions:		
Revenue		
Billing administration fee	\$ 685	\$ 1,067
Management fees	322	351
Other charges	291	457
Expenses		
Meter repair and related services	27	7
Management services provided by the parent co.	10	11
Locating services from affiliate	640	363
Dividends paid	-	-
Balances:		
Amounts due from/due to:		
Receivable from related parties	9,851	-
Payable to related parties	-	6,632

Included in accounts payable reported on the balance sheet is \$1,359 owing to related parties (2010 - \$879). Included in accounts receivable reported on the balance sheet is \$15 owing from related parties (2010 - \$22)

15. SHORT-TERM CREDIT FACILITIES

The Corporation participates in the pooling of deposits and banking facilities with its parent company OHC and OHC's wholly owned subsidiaries. Under this arrangement, the Corporation has an uncommitted line of \$20 million credit facility available with a Canadian chartered bank. As at December 31, 2011, no amount was drawn on this facility. The Corporation has a letter of credit facility available of \$16 million with a Canadian chartered bank, of which \$15 million has been assigned to secure its primary source of electricity as required by the Independent Electricity System Operator's Settlement Manual.

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

16. CAPITAL DISCLOSURE

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, comply with covenants related to its credit facilities, prudently manage its capital structure to recover financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2011, shareholder's equity amounts to \$66,676 (2010 – \$39,730) and long-term debt amounts to \$67,946 (2010 - \$67,946).

17. EMERGING ACCOUNTING ISSUES

a) Transition to International Financial Reporting Standards

The Canadian Accounting Standards Board ("AcSB") adopted a strategic plan that would have Canadian GAAP converge with IFRS, effective January 1, 2011 which will require entities to restate, for comparative purposes, their interim and annual financial statements and their opening financial position.

In October 2010, the AcSB approved the incorporation of a one year deferral of IFRS 1 into Part 1 of the Canadian Institute of Chartered Accountants ("CICA") Handbook for qualifying entities with activities subject to rate regulation. Part 1 of the CICA Handbook specifies that first-time adoption is mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2012.

The amendment also requires entities that do not prepare its interim and annual financial statements in accordance with Part 1 of the Handbook during the annual period beginning on or after January 1, 2011 to disclose that fact.

The Corporation has decided to implement IFRS commencing on January 1, 2012.

b) Accounting for rate regulated activities under IFRS

IFRS does not currently provide guidance on accounting for the effects of rate regulation and the recognition of regulatory assets and liabilities. Currently, rate regulated entities do not recognize regulatory assets and liabilities in their IFRS compliant financial statements. The impact of rate regulated accounting has been disclosed in Note 2(f).

OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.

Notes to the Financial Statements

December 31, 2011

(in thousands of dollars)

17. EMERGING ACCOUNTING ISSUES (continued)

b) Accounting for rate regulated activities under IFRS (continued)

An amendment to IFRS 1, related to the deemed cost exemption for capital assets, was published in May 2010, in the annual “Improvement to IFRSs” amendment document, and applies to entities with operations subject to rate regulation. This exemption permits, at the date of transition, an entity with operations subject to rate regulation, to use the carrying values of property, plant and equipment and intangible assets as deemed cost, thus avoiding the need to restate historical balances using IFRS principles or to determine fair value. The Corporation has elected to apply this exemption for all items of property, plant and equipment and intangible assets subject to rate regulation upon the adoption of IFRS.

On July 28, 2009, the OEB issued its Report of the Board – Transition to IFRS, which contains recommendations on how regulatory reporting requirements should change in response to IFRS. The OEB has now initiated a second phase in its transition project, which involves amending certain regulatory instruments. The Corporation continues to evaluate the potential impacts of the recommendations contained in the Report of the Board on both the activities of the Corporation and its IFRS transition plan.

18. SUBSEQUENT EVENT

Subsequent to year end, the Corporation signed a \$22,000 loan agreement with Infrastructure Ontario for a 20 year term, the proceeds of which will be used to replace operating capital used in the 2010-2011 construction of a transmission station in Oakville. Under the terms of the agreement, the Corporation has until December 2012 to draw on this facility at which point the interest rates and repayment schedule will be determined. This transaction has not been recorded in these financial statements.

Attachment B

Smart Meter Model, Residential



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Oakville Hydro Electricity Distribution Inc.
Orangeville Hydro Limited

Application Contact Information

Name: Maryanne Wilson

Title: Manager, Regulatory Affairs

Phone Number: 905-825-4422

Email Address: mwilson@oakvillehydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

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.



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.

Smart Meter Capital Cost and Operational Expense Data	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter Installation Plan								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential				11,996	44,916	1,808		58720
General Service < 50 kW								0
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	11996	44916	1808	0	58720
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	20.43%	96.92%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	11996	44916	1808	0	58720
1 Capital Costs								
1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)								
	Asset Type							
	Asset type must be selected to enable calculations							
1.1.1 Smart Meters (may include new meters and modules, etc.)	Smart Meter			696,854	4,359,488	797,778	0	\$ 5,854,120
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter			3,590	666,694	217,943	0	\$ 888,227
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware			3,099	47,838	1,375	0	\$ 52,312
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)				0	0	0	0	\$ -
Total Advanced Metering Communications Devices (AMCD)				\$ 703,542	\$ 5,074,020	\$ 1,017,097	\$ -	\$ 6,794,659
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)								
	Asset Type							
1.2.1 Collectors	Smart Meter			313,965	68,859	27,181	0	\$ 410,004
1.2.2 Repeaters (may include radio licence, etc.)				0	0	0	0	\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter			0	6,389	0	0	\$ 6,389
Total Advanced Metering Regional Collector (AMRC) (includes LAN)				\$ 313,965	\$ 75,248	\$ 27,181	\$ -	\$ 416,394

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.3.1 Computer Hardware	Computer Hardware				95,576	0	0	0	\$ 95,576
1.3.2 Computer Software	Computer Software				4,695	0	0	0	\$ 4,695
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include AS/400 disk space, backup and recovery computer, UPS, etc.)</i>					0	0	0	0	\$ -
Total Advanced Metering Control Computer (AMCC)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,271</u>

1.4 WIDE AREA NETWORK (WAN)

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.4.1 Activation Fees					0	0	0	0	\$ -
Total Wide Area Network (WAN)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>					0	0	0	0	\$ -
1.5.2 AMI Interface to CIS	Computer Software				0	28,756	0	0	\$ 28,756
1.5.3 Professional Fees					0	0	0	0	\$ -
1.5.4 Integration	Smart Meter				0	0	0	0	\$ -
1.5.5 Program Management	Smart Meter				32,506	51,770	37,746	0	\$ 122,023
1.5.6 Other AMI Capital	Computer Software				0	65,214	90,691	0	\$ 155,905
Total Other AMI Capital Costs Related to Minimum Functionality:		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,506</u>	<u>\$ 145,740</u>	<u>\$ 128,437</u>	<u>\$ -</u>	<u>\$ 306,684</u>
Total Capital Costs Related to Minimum Functionality:		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,284</u>	<u>\$ 5,295,008</u>	<u>\$ 1,172,716</u>	<u>\$ -</u>	<u>\$ 7,618,008</u>

1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY

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

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	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					0	0	0	0	\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service					0	0	0	0	\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Computer Software				0	0	21,041	150,803	\$ 171,844
Total Capital Costs Beyond Minimum Functionality:		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,041</u>	<u>\$ 150,803</u>	<u>\$ 171,844</u>
Total Smart Meter Capital Costs		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,284</u>	<u>\$ 5,295,008</u>	<u>\$ 1,193,757</u>	<u>\$ 150,803</u>	<u>\$ 7,789,852</u>

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

2.1.1 Maintenance (may include meter reverification costs, etc.)

2.1.2 Other (please specify)

Total Incremental AMCD OM&A Costs

2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

2.2.1 Maintenance

2.2.2 Other (please specify)

Total Incremental AMRC OM&A Costs

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.)

2.3.2 Other (please specify)

Total Incremental AMCC OM&A Costs

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify)

Total Incremental AMRC OM&A Costs

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2.5.2 Customer Communication (may include project communication, etc.)

2.5.3 Program Management

2.5.4 Change Management (may include training, etc.)

2.5.5 Administration Costs

2.5.6 Other AMI Expenses

(please specify)

Total Other AMI OM&A Costs Related to Minimum Functionality

TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY

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

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

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

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

Total OM&A Costs Beyond Minimum Functionality

Total Smart Meter OM&A Costs

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
				0	0	0	0	\$ -
				0	0	0	0	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				0	84,486	112,764	127,858	\$ 325,108
				0	0	0	0	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ 84,486	\$ 112,764	\$ 127,858	\$ 325,108
				0	0	0	0	\$ -
	\$ -	\$ 70,235	\$ 19,173	\$ 46,222	\$ 35,152	\$ 47,730	\$ 117,790	\$ 336,302
				0	0	0	0	\$ -
	\$ -	\$ 70,235	\$ 19,173	\$ 46,222	\$ 35,152	\$ 47,730	\$ 117,790	\$ 336,302
		12,531	39,754	30,902	17,187	6,985	0	\$ 107,359
				0	0	0	0	\$ -
	\$ -	\$ 12,531	\$ 39,754	\$ 30,902	\$ 17,187	\$ 6,985	\$ -	\$ 107,359
				0	703	25,932	132,192	\$ 158,827
				40,431	6,896	0	0	\$ 47,328
			22,150	26,134	48,034	3,801	0	\$ 100,118
				0	2,280	0	0	\$ 2,280
				6,274	0	0	0	\$ 6,274
				3,126	17,386	11,525	107,605	\$ 139,641
	\$ -	\$ -	\$ 22,150	\$ 75,965	\$ 75,299	\$ 41,257	\$ 239,798	\$ 454,468
	\$ -	\$ 82,766	\$ 81,077	\$ 153,089	\$ 212,123	\$ 208,737	\$ 485,445	\$ 1,223,238
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual		
				0	0	0	0	\$ -
				0	0	0	0	\$ -
				0	136,183	145,200	53,667	\$ 335,051
	\$ -	\$ -	\$ -	\$ -	\$ 136,183	\$ 145,200	\$ 53,667	\$ 335,051
	\$ -	\$ 82,766	\$ 81,077	\$ 153,089	\$ 348,306	\$ 353,937	\$ 539,113	\$ 1,558,288

3 Aggregate Smart Meter Costs by Category

3.1	Capital																
3.1.1	Smart Meter	\$	-	\$	-	\$	-	\$	1,046,915	\$	5,153,200	\$	1,080,650	\$	-	\$	7,280,764
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	98,675	\$	47,838	\$	1,375	\$	-	\$	147,888
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	4,695	\$	93,970	\$	111,732	\$	150,803	\$	361,200
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.7	Total Capital Costs	\$	-	\$	-	\$	-	\$	1,150,284	\$	5,295,008	\$	1,193,757	\$	150,803	\$	7,789,852
3.2	OM&A Costs																
3.2.1	Total OM&A Costs	\$	-	\$	82,766	\$	81,077	\$	153,089	\$	348,306	\$	353,937	\$	539,113	\$	1,558,288



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure¹							
Deemed Short-term Debt Capitalization			0.0%	0.0%	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%
Deemed Equity Capitalization	45.0%	45.0%	42.5%	40.0%	40.0%	40.0%	40.0%
Preferred Shares	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital Parameters							
Deemed Short-term Debt Rate			0.00%	0.00%	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%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WACC	7.35%	7.35%	7.28%	7.20%	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%
<i>(% of the sum of Cost of Power + controllable expenses)</i>							
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
Depreciation Rates							
<i>(expressed as expected useful life in years)</i>							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	3	3	3	3	3	3	3
- rate (%)	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Tools & Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CCA Rates							
Smart Meters - CCA Class	47	47	47	47	47	47	47
Smart Meters - CCA Rate	8%	8%	8%	8%	8%	8%	8%
Computer Equipment - CCA Class	45	50	50	52	52	50	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	55%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class	45	50	50	52	52	50	50
Applications Software - CCA Rate	45%	55%	55%	100%	100%	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 straight line basis and has the "half-year" rule applied.



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 1,046,915	\$ 6,200,115	\$ 7,280,764
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 1,046,915	\$ 5,153,200	\$ 1,080,650	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 1,046,915	\$ 6,200,115	\$ 7,280,764	\$ 7,280,764
Accumulated Depreciation							
Opening Balance		\$ -	\$ -	\$ -	\$ 34,897	\$ 276,465	\$ 725,827
Amortization expense during year	\$ -	\$ -	\$ -	\$ 34,897	\$ 241,568	\$ 449,363	\$ 485,384
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 34,897	\$ 276,465	\$ 725,827	\$ 1,211,212
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,012,017	\$ 5,923,650	\$ 6,554,937
Closing Balance	\$ -	\$ -	\$ -	\$ 1,012,017	\$ 5,923,650	\$ 6,554,937	\$ 6,069,552
Average Net Book Value	\$ -	\$ -	\$ -	\$ 506,009	\$ 3,467,834	\$ 6,239,293	\$ 6,312,245
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 98,675	\$ 146,513	\$ 147,888
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 98,675	\$ 47,838	\$ 1,375	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 98,675	\$ 146,513	\$ 147,888	\$ 147,888
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 9,867	\$ 34,386	\$ 63,826
Amortization expense during year	\$ -	\$ -	\$ -	\$ 9,867	\$ 24,519	\$ 29,440	\$ 29,578
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 9,867	\$ 34,386	\$ 63,826	\$ 93,404
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 88,807	\$ 112,126	\$ 84,062
Closing Balance	\$ -	\$ -	\$ -	\$ 88,807	\$ 112,126	\$ 84,062	\$ 54,484
Average Net Book Value	\$ -	\$ -	\$ -	\$ 44,404	\$ 100,467	\$ 98,094	\$ 69,273
Net Fixed Assets - Computer Software (including Applications Software)							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 4,695	\$ 98,665	\$ 210,397
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 4,695	\$ 93,970	\$ 111,732	\$ 150,803
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 4,695	\$ 98,665	\$ 210,397	\$ 361,200
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 783	\$ 18,009	\$ 69,520
Amortization expense during year	\$ -	\$ -	\$ -	\$ 783	\$ 17,227	\$ 51,510	\$ 95,266
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 783	\$ 18,009	\$ 69,520	\$ 164,786
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 3,913	\$ 80,656	\$ 140,877
Closing Balance	\$ -	\$ -	\$ -	\$ 3,913	\$ 80,656	\$ 140,877	\$ 196,414
Average Net Book Value	\$ -	\$ -	\$ -	\$ 1,956	\$ 42,284	\$ 110,767	\$ 168,646

Net Fixed Assets - Tools and Equipment

Gross Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during yea	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Fixed Assets - Other Equipment

Gross Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during yea	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 506,009	\$ 3,467,834	\$ 6,239,293	\$ 6,312,245
Computer Hardware	\$ -	\$ -	\$ -	\$ 44,404	\$ 100,467	\$ 98,094	\$ 69,273
Computer Software	\$ -	\$ -	\$ -	\$ 1,956	\$ 42,284	\$ 110,767	\$ 168,646
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Fixed Assets	\$ -	\$ -	\$ -	\$ 552,369	\$ 3,610,585	\$ 6,448,154	\$ 6,550,163
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ 82,766	\$ 81,077	\$ 153,089	\$ 348,306	\$ 353,937	\$ 539,113
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ 12,415	\$ 12,162	\$ 22,963	\$ 52,246	\$ 53,091	\$ 80,867
Incremental Smart Meter Rate Base	\$ -	\$ 12,415	\$ 12,162	\$ 575,332	\$ 3,662,831	\$ 6,501,244	\$ 6,631,030
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 146,513	\$ 260,050	\$ 265,241
Deemed Long Term Debt	\$ -	\$ 6,828	\$ 6,993	\$ 345,199	\$ 2,051,185	\$ 3,640,697	\$ 3,713,377
Equity	\$ -	\$ 5,587	\$ 5,169	\$ 230,133	\$ 1,465,132	\$ 2,600,498	\$ 2,652,412
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ 12,415	\$ 12,162	\$ 575,332	\$ 3,662,831	\$ 6,501,244	\$ 6,631,030
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 3,033	\$ 5,383	\$ 5,490
Deemed Long Term Debt	\$ -	\$ 410	\$ 420	\$ 20,712	\$ 120,405	\$ 213,709	\$ 217,975
Equity	\$ -	\$ 503	\$ 465	\$ 20,712	\$ 144,316	\$ 256,149	\$ 261,263
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ 912	\$ 885	\$ 41,424	\$ 267,753	\$ 475,241	\$ 484,728
Operating Expenses	\$ -	\$ 82,766	\$ 81,077	\$ 153,089	\$ 348,306	\$ 353,937	\$ 539,113
Amortization Expenses (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 34,897	\$ 241,568	\$ 449,363	\$ 485,384
Computer Hardware	\$ -	\$ -	\$ -	\$ 9,867	\$ 24,519	\$ 29,440	\$ 29,578
Computer Software	\$ -	\$ -	\$ -	\$ 783	\$ 17,227	\$ 51,510	\$ 95,266
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amortization Expense in Year	\$ -	\$ -	\$ -	\$ 45,547	\$ 283,313	\$ 530,313	\$ 610,228
Incremental Revenue Requirement before Taxes/PILs	\$ -	\$ 83,678	\$ 81,962	\$ 240,060	\$ 899,373	\$ 1,359,491	\$ 1,634,069
Calculation of Taxable Income							
Incremental Operating Expenses	\$ -	\$ 82,766	\$ 81,077	\$ 153,089	\$ 348,306	\$ 353,937	\$ 539,113
Amortization Expense	\$ -	\$ -	\$ -	\$ 45,547	\$ 283,313	\$ 530,313	\$ 610,228
Interest Expense	\$ -	\$ 410	\$ 420	\$ 20,712	\$ 123,437	\$ 219,092	\$ 223,466
Net Income for Taxes/PILs	\$ -	\$ 503	\$ 465	\$ 20,712	\$ 144,316	\$ 256,149	\$ 261,263
Grossed-up Taxes/PILs (from Sheet 7)	\$ -	\$ 284.30	\$ 234.34	\$ 10,961.80	\$ 12,902.82	\$ 80,083.51	\$ 89,772.55
Revenue Requirement, including Grossed-up Taxes/PILs	\$ -	\$ 83,962	\$ 82,196	\$ 229,099	\$ 912,275	\$ 1,439,575	\$ 1,723,842



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution 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 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 1,005,037.97	\$ 5,871,706.92	\$ 6,439,394.02
Capital Additions	\$ -	\$ -	\$ -	\$ 1,046,914.55	\$ 5,153,199.99	\$ 1,080,649.64	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 1,046,914.55	\$ 6,158,237.96	\$ 6,952,356.56	\$ 6,439,394.02
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 523,457.27	\$ 2,576,599.99	\$ 540,324.82	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 523,457.27	\$ 3,581,637.96	\$ 6,412,031.74	\$ 6,439,394.02
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ -	\$ 41,876.58	\$ 286,531.04	\$ 512,962.54	\$ 515,151.52
Closing UCC	\$ -	\$ -	\$ -	\$ 1,005,037.97	\$ 5,871,706.92	\$ 6,439,394.02	\$ 5,924,242.50

UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 51,684.96	\$ 70,903.96	\$ 113,909.32
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ 98,674.52	\$ 47,838.15	\$ 1,375.08	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ 4,695.41	\$ 93,969.77	\$ 111,731.86	\$ 150,803.17
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 103,369.92	\$ 193,492.89	\$ 184,010.91	\$ 264,712.49
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 51,684.96	\$ 70,903.96	\$ 56,553.47	\$ 75,401.58
Reduced UCC	\$ -	\$ -	\$ -	\$ 51,684.96	\$ 122,588.93	\$ 127,457.44	\$ 189,310.90
CCA Rate Class	45	50	50	52	52	50	50
CCA Rate	45%	55%	55%	100%	100%	55%	55%
CCA	\$ -	\$ -	\$ -	\$ 51,684.96	\$ 122,588.93	\$ 70,101.59	\$ 104,121.00
Closing UCC	\$ -	\$ -	\$ -	\$ 51,684.96	\$ 70,903.96	\$ 113,909.32	\$ 160,591.49

UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
INCOME TAX							
Net Income	\$ -	\$ 502.80	\$ 465.18	\$ 20,711.95	\$ 144,315.53	\$ 256,149.03	\$ 261,262.59
Amortization	\$ -	\$ -	\$ -	\$ 45,547.17	\$ 283,313.12	\$ 530,313.04	\$ 610,228.04
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 41,876.58	\$ 286,531.04	\$ 512,962.54	\$ 515,151.52
CCA - Computers	\$ -	\$ -	\$ -	\$ 51,684.96	\$ 122,588.93	\$ 70,101.59	\$ 104,121.00
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ 502.80	\$ 465.18	\$ 27,302.42	\$ 18,508.69	\$ 203,397.94	\$ 252,218.11
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Income Taxes Payable	\$ -	\$ 181.61	\$ 155.84	\$ 9,009.80	\$ 5,737.69	\$ 57,459.92	\$ 66,207.25
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ -	\$ -	\$ 1,012,017.40	\$ 5,923,649.75	\$ 6,554,936.77	\$ 6,069,552.49
Computer Hardware	\$ -	\$ -	\$ -	\$ 88,807.07	\$ 112,126.50	\$ 84,061.54	\$ 54,483.99
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ 3,912.84	\$ 80,655.85	\$ 140,877.34	\$ 196,414.30
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 1,104,737.30	\$ 6,116,432.10	\$ 6,779,875.65	\$ 6,320,450.78
Less: Exemption							
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 1,104,737.30	\$ 6,116,432.10	\$ 6,779,875.65	\$ 6,320,450.78
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 2,485.66	\$ 4,587.32	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ 181.61	\$ 155.84	\$ 9,009.80	\$ 5,737.69	\$ 57,459.92	\$ 66,207.25
Change in OCT	\$ -	\$ -	\$ -	\$ 2,485.66	\$ 4,587.32	\$ -	\$ -
PILs	\$ -	\$ 181.61	\$ 155.84	\$ 6,524.14	\$ 10,325.02	\$ 57,459.92	\$ 66,207.25
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Change in Income Taxes Payable	\$ -	\$ 284.30	\$ 234.34	\$ 13,447.46	\$ 8,315.50	\$ 80,083.51	\$ 89,772.55
Change in OCT	\$ -	\$ -	\$ -	\$ 2,485.66	\$ 4,587.32	\$ -	\$ -
PILs	\$ -	\$ 284.30	\$ 234.34	\$ 10,961.80	\$ 12,902.82	\$ 80,083.51	\$ 89,772.55



Oakville Hydro Electricity Distribution Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2006 Q1			Jan-06	2006	Q1	\$ -	\$ -	0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -	\$ -	0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -	\$ -	0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -	\$ -	4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ -	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	\$ -	\$ 2,397.01	4.59%	\$ -	\$ 2,397.01	\$ 0.30	
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ -	\$ 2,397.01	4.59%	\$ 9.17	\$ 13,723.59	\$ 0.30	
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 13,714.42	\$ 11,511.07	4.59%	\$ 52.46	\$ 25,277.95	\$ 0.30	
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 25,225.49	\$ 38,016.14	4.59%	\$ 96.49	\$ 63,338.12	\$ 0.30	
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 63,241.63	\$ 10,188.13	4.59%	\$ 241.90	\$ 73,671.66	\$ 73,829.78	\$ 0.30
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 73,429.76	\$ 15,031.77	4.59%	\$ 280.87	\$ 88,742.40	\$ 0.30	
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 88,461.53	\$ 13,175.14	4.59%	\$ 338.37	\$ 101,975.04	\$ 0.30	
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 101,636.67	\$ 15,443.80	4.59%	\$ 388.76	\$ 117,469.23	\$ 0.30	
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 117,080.47	\$ 12,503.43	4.59%	\$ 447.83	\$ 130,031.72	\$ 0.30	
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 129,583.89	\$ 16,421.42	4.59%	\$ 495.66	\$ 146,500.97	\$ 0.27	
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 146,005.31	\$ 12,732.65	4.59%	\$ 558.47	\$ 159,296.43	\$ 0.27	
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 158,737.96	\$ 15,487.20	4.59%	\$ 607.17	\$ 174,832.33	\$ 0.27	
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 174,330.16	\$ 14,330.69	4.59%	\$ 666.41	\$ 189,222.26	\$ 0.27	
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 188,555.85	\$ 14,722.05	4.59%	\$ 721.23	\$ 203,999.13	\$ 0.27	
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 203,277.90	\$ 13,174.66	5.14%	\$ 870.71	\$ 217,323.26	\$ 0.27	
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 216,452.55	\$ 16,466.40	5.14%	\$ 927.14	\$ 233,846.09	\$ 0.27	
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 232,918.95	\$ 12,403.26	5.14%	\$ 997.67	\$ 246,319.88	\$ 179,192.74	\$ 0.27
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 245,322.21	\$ 16,242.20	5.14%	\$ 1,050.60	\$ 262,615.21	\$ 0.27	
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 261,564.41	\$ 15,625.18	5.14%	\$ 1,120.37	\$ 275,309.96	\$ 0.27	
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ 274,189.59	\$ 14,649.66	5.14%	\$ 1,174.45	\$ 290,013.70	\$ 0.27	
2012 Q4	1.47%	4.29%	Apr-08	2008	Q2	\$ 288,839.25	\$ 14,217.18	4.08%	\$ 982.05	\$ 304,038.48	\$ 0.27	
			May-08	2008	Q2	\$ 303,056.43	\$ 14,919.43	4.08%	\$ 1,030.39	\$ 319,006.25	\$ 0.27	
			Jun-08	2008	Q2	\$ 317,975.86	\$ 14,899.69	4.08%	\$ 1,081.12	\$ 333,956.67	\$ 0.27	
			Jul-08	2008	Q3	\$ 332,875.55	\$ 16,123.75	3.35%	\$ 929.28	\$ 349,928.59	\$ 0.27	
			Aug-08	2008	Q3	\$ 348,999.31	\$ 13,419.16	3.35%	\$ 974.29	\$ 363,392.75	\$ 0.27	
			Sep-08	2008	Q3	\$ 362,418.46	\$ 15,706.04	3.35%	\$ 1,011.75	\$ 379,136.25	\$ 0.27	
			Oct-08	2008	Q4	\$ 378,124.50	\$ 14,296.70	3.35%	\$ 1,055.60	\$ 393,476.80	\$ 0.27	
			Nov-08	2008	Q4	\$ 392,421.20	\$ 15,339.27	3.35%	\$ 1,095.61	\$ 408,855.98	\$ 0.27	
			Dec-08	2008	Q4	\$ 407,760.47	\$ 13,907.16	3.35%	\$ 1,138.33	\$ 422,895.97	\$ 189,079.37	\$ 0.27
			Jan-09	2009	Q1	\$ 421,757.64	\$ 15,792.39	2.45%	\$ 861.09	\$ 438,411.11	\$ 0.27	
			Feb-09	2009	Q1	\$ 437,550.02	\$ 13,957.55	2.45%	\$ 893.33	\$ 452,400.90	\$ 0.27	
			Mar-09	2009	Q1	\$ 451,507.57	\$ 16,410.33	2.45%	\$ 921.83	\$ 468,839.73	\$ 0.27	
			Apr-09	2009	Q2	\$ 467,917.90	\$ 13,466.99	1.00%	\$ 389.93	\$ 481,774.82	\$ 1.00	
			May-09	2009	Q2	\$ 481,384.89	\$ 16,281.60	1.00%	\$ 401.15	\$ 498,067.64	\$ 1.00	
			Jun-09	2009	Q2	\$ 497,666.49	\$ 34,072.53	1.00%	\$ 414.72	\$ 532,153.74	\$ 1.00	
			Jul-09	2009	Q3	\$ 531,739.02	\$ 52,593.37	0.55%	\$ 243.71	\$ 584,576.10	\$ 1.00	
			Aug-09	2009	Q3	\$ 584,332.39	\$ 55,746.60	0.55%	\$ 267.82	\$ 640,346.81	\$ 1.00	
			Sep-09	2009	Q3	\$ 640,078.99	\$ 57,516.91	0.55%	\$ 283.37	\$ 697,889.27	\$ 1.00	
			Oct-09	2009	Q4	\$ 697,595.90	\$ 56,011.09	0.55%	\$ 319.73	\$ 753,926.72	\$ 1.00	
			Nov-09	2009	Q4	\$ 753,606.99	\$ 42,046.84	0.55%	\$ 345.40	\$ 795,999.23	\$ 1.00	
			Dec-09	2009	Q4	\$ 795,653.83	\$ 66,574.00	0.55%	\$ 364.67	\$ 862,592.50	\$ 446,186.95	\$ 1.00
			Jan-10	2010	Q1	\$ 862,227.83	\$ 57,183.61	0.55%	\$ 396.19	\$ 919,806.63	\$ 1.00	
			Feb-10	2010	Q1	\$ 919,411.44	\$ 55,617.47	0.55%	\$ 421.40	\$ 975,450.31	\$ 1.00	
			Mar-10	2010	Q1	\$ 975,028.91	\$ 56,309.86	0.55%	\$ 446.89	\$ 1,031,785.66	\$ 1.00	
			Apr-10	2010	Q2	\$ 1,031,338.77	\$ 58,256.51	0.55%	\$ 472.70	\$ 1,090,067.98	\$ 1.00	
			May-10	2010	Q2	\$ 1,089,595.28	\$ 54,852.20	0.55%	\$ 499.40	\$ 1,144,946.88	\$ 1.69	
			Jun-10	2010	Q2	\$ 1,144,447.48	\$ 80,982.23	0.55%	\$ 524.54	\$ 1,225,954.25	\$ 1.69	
			Jul-10	2010	Q3	\$ 1,225,429.71	\$ 92,895.27	0.89%	\$ 908.96	\$ 1,319,233.83	\$ 1.69	
			Aug-10	2010	Q3	\$ 1,318,324.97	\$ 95,131.96	0.89%	\$ 977.76	\$ 1,414,434.69	\$ 1.69	
			Sep-10	2010	Q3	\$ 1,413,456.93	\$ 96,691.94	0.89%	\$ 1,048.31	\$ 1,511,197.18	\$ 1.69	
			Oct-10	2010	Q4	\$ 1,510,148.87	\$ 95,667.46	1.20%	\$ 1,510.15	\$ 1,607,326.48	\$ 1.69	
			Nov-10	2010	Q4	\$ 1,605,816.33	\$ 90,085.39	1.20%	\$ 1,605.82	\$ 1,697,507.53	\$ 1.69	
			Dec-10	2010	Q4	\$ 1,695,801.71	\$ 87,318.27	1.20%	\$ 1,695.90	\$ 1,784,915.88	\$ 931,499.07	\$ 1.69
			Jan-11	2011	Q1	\$ 1,783,219.98	\$ 104,919.40	1.47%	\$ 2,184.44	\$ 1,890,323.82	\$ 1.69	
			Feb-11	2011	Q1	\$ 1,888,139.38	\$ 95,679.06	1.47%	\$ 2,312.97	\$ 1,986,131.41	\$ 1.69	
			Mar-11	2011	Q1	\$ 1,983,818.44	\$ 90,737.31	1.47%	\$ 2,430.18	\$ 2,076,985.93	\$ 1.69	
			Apr-11	2011	Q2	\$ 2,074,555.75	\$ 99,507.10	1.47%	\$ 2,541.33	\$ 2,176,604.18	\$ 1.69	
			May-11	2011	Q2	\$ 2,174,062.85	\$ 78,818.09	1.47%	\$ 2,663.23	\$ 2,255,544.17	\$ 1.69	
			Jun-11	2011	Q2	\$ 2,252,880.94	\$ 115,454.28	1.47%	\$ 2,759.78	\$ 2,371,095.00	\$ 1.69	
			Jul-11	2011	Q3	\$ 2,368,335.22	\$ 69,733.42	1.47%	\$ 2,901.21	\$ 2,440,969.84	\$ 1.69	
			Aug-11	2011	Q3	\$ 2,438,068.63	\$ 90,952.91	1.47%	\$ 2,986.63	\$ 2,532,008.17	\$ 1.69	
			Sep-11	2011	Q3	\$ 2,529,021.54	\$ 120,139.05	1.47%	\$ 3,098.05	\$ 2,652,258.64	\$ 1.69	
			Oct-11	2011	Q4	\$ 2,649,160.59	\$ 98,203.86	1.47%	\$ 3,245.22	\$ 2,751,609.67	\$ 1.69	
			Nov-11	2011	Q4	\$ 2,748,364.45	\$ 80,203.56	1.47%	\$ 3,366.75	\$ 2,831,934.76	\$ 1.69	
			Dec-11	2011	Q4	\$ 2,828,568.01	\$ 95,821.53	1.47%	\$ 3,465.00	\$ 2,927,854.54	\$ 1,175,124.35	\$ 1.69
			Jan-12	2012	Q1	\$ 2,924,389.54	\$ 96,805.23	1.47%	\$ 3,582.38	\$ 3,024,777.14	\$ 1.69	
			Feb-12	2012	Q1	\$ 3,021,194.76	\$ 96,936.00	1.47%	\$ 3,700.96	\$ 3,121,831.72	\$ 1.69	
			Mar-12	2012	Q1	\$ 3,118,130.76	\$ 97,066.77	1.47%	\$ 3,819.71	\$ 3,219,017.24	\$ 1.69	
			Apr-12	2012	Q2	\$ 3,215,197.53	\$ 97,197.53	1.47%	\$ 3,938.62	\$ 3,316,333.68	\$ 1.69	
			May-12	2012	Q2	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Jun-12	2012	Q2	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Jul-12	2012	Q3	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Aug-12	2012	Q3	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Sep-12	2012	Q3	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Oct-12	2012	Q4	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Nov-12	2012	Q4	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ -	
			Dec-12	2012	Q4	\$ 3,312,395.06	\$ -	0.00%	\$ -	\$ 3,312,395.06	\$ 403,047.20	\$ -
Total Funding Adder Revenues Collected							\$ 3,312,395.06	\$ 85,564.38	\$ 3,397,959.44	\$ 3,397,959.44		



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution 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%	4.29%	Dec-07	2007	Q4	-	\$ 82,765.55	\$ -	82,765.55	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	82,765.55	\$ 4,204.03	\$ -	86,969.58	5.14%	354.51	354.51
2012 Q2	0.00%	4.29%	Feb-08	2008	Q1	86,969.58	\$ 4,204.03	\$ -	91,173.61	5.14%	372.52	727.03
2012 Q3	0.00%	4.29%	Mar-08	2008	Q1	91,173.61	\$ 4,204.03	\$ -	95,377.63	5.14%	390.53	1,117.56
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	95,377.63	\$ 4,204.03	\$ -	99,581.66	4.08%	324.28	1,441.84
			May-08	2008	Q2	99,581.66	\$ 27,791.47	\$ -	127,373.14	4.08%	338.58	1,780.42
			Jun-08	2008	Q2	127,373.14	\$ 4,092.62	\$ -	131,465.75	4.08%	433.07	2,213.49
			Jul-08	2008	Q3	131,465.75	\$ 4,478.38	\$ -	135,944.13	3.35%	367.01	2,580.50
			Aug-08	2008	Q3	135,944.13	\$ 4,076.40	\$ -	140,020.54	3.35%	379.51	2,960.01
			Sep-08	2008	Q3	140,020.54	\$ 3,794.35	\$ -	143,814.88	3.35%	390.89	3,350.90
			Oct-08	2008	Q4	143,814.88	\$ 5,494.39	\$ -	149,309.28	3.35%	401.48	3,752.38
			Nov-08	2008	Q4	149,309.28	\$ 8,402.32	\$ -	157,711.60	3.35%	416.82	4,169.20
			Dec-08	2008	Q4	157,711.60	\$ 6,130.96	\$ -	163,842.56	3.35%	440.28	4,609.48
			Jan-09	2009	Q1	163,842.56	\$ 4,921.29	\$ -	168,763.84	2.45%	334.51	4,943.99
			Feb-09	2009	Q1	168,763.84	\$ 5,136.81	\$ -	173,900.65	2.45%	344.56	5,288.55
			Mar-09	2009	Q1	173,900.65	\$ 5,348.95	\$ -	179,249.60	2.45%	355.05	5,643.60
			Apr-09	2009	Q2	179,249.60	\$ 12,122.57	\$ -	191,372.18	1.00%	149.37	5,792.98
			May-09	2009	Q2	191,372.18	\$ 4,692.92	\$ -	196,065.10	1.00%	159.48	5,952.45
			Jun-09	2009	Q2	196,065.10	\$ 5,957.57	\$ -	202,022.67	1.00%	163.39	6,115.84
			Jul-09	2009	Q3	202,022.67	\$ 5,130.66	\$ -	207,153.33	0.55%	92.59	6,208.43
			Aug-09	2009	Q3	207,153.33	\$ 8,658.68	\$ -	215,812.01	0.55%	94.95	6,303.38
			Sep-09	2009	Q3	215,812.01	\$ 37,485.54	\$ -	253,297.56	0.55%	98.91	6,402.29
			Oct-09	2009	Q4	253,297.56	\$ 24,664.30	\$ -	277,961.85	0.55%	116.09	6,518.39
			Nov-09	2009	Q4	277,961.85	\$ 19,051.14	\$ -	297,012.99	0.55%	127.40	6,645.79
			Dec-09	2009	Q4	297,012.99	\$ 19,918.43	\$ -	316,931.42	0.55%	136.13	6,781.92
			Jan-10	2010	Q1	316,931.42	\$ 23,328.58	\$ 22,087.08	362,347.08	0.55%	145.26	6,927.18
			Feb-10	2010	Q1	362,347.08	\$ 21,216.19	\$ 22,087.08	405,650.35	0.55%	166.08	7,093.25
			Mar-10	2010	Q1	405,650.35	\$ 26,532.46	\$ 22,087.08	454,269.89	0.55%	185.92	7,279.18
			Apr-10	2010	Q2	454,269.89	\$ 23,167.67	\$ 22,087.08	499,524.65	0.55%	208.21	7,487.38
			May-10	2010	Q2	499,524.65	\$ 18,351.71	\$ 22,087.08	539,963.45	0.55%	228.95	7,716.33
			Jun-10	2010	Q2	539,963.45	\$ 26,241.39	\$ 22,087.08	588,291.92	0.55%	247.48	7,963.82
			Jul-10	2010	Q3	588,291.92	\$ 16,974.31	\$ 22,087.08	627,353.32	0.89%	436.32	8,400.13
			Aug-10	2010	Q3	627,353.32	\$ 15,077.64	\$ 22,087.08	664,518.04	0.89%	465.29	8,865.42
			Sep-10	2010	Q3	664,518.04	\$ 41,652.36	\$ 22,087.08	728,257.48	0.89%	492.85	9,358.27
			Oct-10	2010	Q4	728,257.48	\$ 35,400.95	\$ 22,087.08	785,745.51	1.20%	728.26	10,086.53
			Nov-10	2010	Q4	785,745.51	\$ 61,468.77	\$ 22,087.08	869,301.37	1.20%	785.75	10,872.27
			Dec-10	2010	Q4	869,301.37	\$ 38,894.65	\$ 22,087.08	930,283.10	1.20%	869.30	11,741.57
			Jan-11	2011	Q1	930,283.10	\$ 22,649.60	\$ 47,995.64	1,000,928.35	1.47%	1,139.60	12,881.17
			Feb-11	2011	Q1	1,000,928.35	\$ 19,397.70	\$ 47,995.64	1,068,321.70	1.47%	1,226.14	14,107.31
			Mar-11	2011	Q1	1,068,321.70	\$ 47,184.03	\$ 47,995.64	1,163,501.37	1.47%	1,308.69	15,416.00
			Apr-11	2011	Q2	1,163,501.37	\$ 6,890.52	\$ 47,995.64	1,218,387.54	1.47%	1,425.29	16,841.29
			May-11	2011	Q2	1,218,387.54	\$ 42,323.53	\$ 47,995.64	1,308,706.71	1.47%	1,492.52	18,333.82
			Jun-11	2011	Q2	1,308,706.71	\$ 39,796.42	\$ 47,995.64	1,396,498.78	1.47%	1,603.17	19,936.98
			Jul-11	2011	Q3	1,396,498.78	\$ 29,657.82	\$ 47,995.64	1,474,152.24	1.47%	1,710.71	21,647.69
			Aug-11	2011	Q3	1,474,152.24	\$ 26,466.85	\$ 47,995.64	1,548,614.73	1.47%	1,805.84	23,453.53
			Sep-11	2011	Q3	1,548,614.73	\$ 43,159.89	\$ 47,995.64	1,639,770.26	1.47%	1,897.05	25,350.58
			Oct-11	2011	Q4	1,639,770.26	\$ 22,440.26	\$ 47,995.64	1,710,206.17	1.47%	2,008.72	27,359.30
			Nov-11	2011	Q4	1,710,206.17	\$ 17,249.30	\$ 47,995.64	1,775,451.11	1.47%	2,095.00	29,454.30
			Dec-11	2011	Q4	1,775,451.11	\$ 36,721.02	\$ 47,995.64	1,860,167.77	1.47%	2,174.93	31,629.23
			Jan-12	2012	Q1	1,860,167.77			1,860,167.77	1.47%	2,278.71	33,907.94
			Feb-12	2012	Q1	1,860,167.77			1,860,167.77	1.47%	2,278.71	36,186.64
			Mar-12	2012	Q1	1,860,167.77			1,860,167.77	1.47%	2,278.71	38,465.35
			Apr-12	2012	Q2	1,860,167.77			1,860,167.77	1.47%	2,278.71	40,744.05
			May-12	2012	Q2	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Jun-12	2012	Q2	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Jul-12	2012	Q3	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Aug-12	2012	Q3	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Sep-12	2012	Q3	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Oct-12	2012	Q4	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Nov-12	2012	Q4	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
			Dec-12	2012	Q4	1,860,167.77			1,860,167.77	0.00%	-	40,744.05
						\$ 1,019,175.04	\$ 840,992.73	\$ 1,860,167.77				



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

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

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -
2007	\$ 82,765.55	\$ -	\$ 82,765.55	\$ 41,382.78	4.73%	\$ 1,956.37
2008	\$ 81,077.00	\$ -	\$ 163,842.56	\$ 123,304.05	3.98%	\$ 4,907.50
2009	\$ 153,089.36	\$ 45,547.17	\$ 362,479.09	\$ 263,160.82	1.14%	\$ 2,993.45
2010	\$ 348,306.48	\$ 283,313.12	\$ 994,098.69	\$ 678,288.89	0.80%	\$ 5,409.35
2011	\$ 353,937.36	\$ 530,313.04	\$ 1,878,349.08	\$ 1,436,223.88	1.47%	\$ 21,112.49
2012	\$ 539,112.70	\$ 610,228.04	\$ 3,027,689.82	\$ 2,453,019.45	1.47%	\$ 36,059.39
Cumulative Interest to 2011						\$ 36,379.17
Cumulative Interest to 2012						\$ 72,438.56

Attachment C

Smart Meter Model, General Service < 50 kW



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Oakville Hydro Electricity Distribution Inc.
Orangeville Hydro Limited

Application Contact Information

Name: Maryanne Wilson

Title: Manager, Regulatory Affairs

Phone Number: 905-825-4422

Email Address: mwilson@oakvillehydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

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.



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.

Smart Meter Capital Cost and Operational Expense Data	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter Installation Plan								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential								0
General Service < 50 kW					3,907	1,107		5014
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	0	3907	1107	0	5014
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	0.00%	77.92%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	0	3907	1107	0	5014
1 Capital Costs								
1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)								
	Asset Type							
	Asset type must be selected to enable calculations							
1.1.1 Smart Meters (may include new meters and modules, etc.)	Smart Meter			227,336	1,422,205	260,261	0	\$ 1,909,802
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter			1,171	217,497	71,100	0	\$ 289,768
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware			1,011	15,606	449	0	\$ 17,066
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)				0	0	0	0	\$ -
Total Advanced Metering Communications Devices (AMCD)				\$ 229,518	\$ 1,655,308	\$ 331,810	\$ -	\$ 2,216,636
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)								
	Asset Type							
1.2.1 Collectors	Smart Meter			102,425	22,464	8,867	0	\$ 133,757
1.2.2 Repeaters (may include radio licence, etc.)				0	0	0	0	\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter			0	2,084	0	0	\$ 2,084
Total Advanced Metering Regional Collector (AMRC) (includes LAN)				\$ 102,425	\$ 24,548	\$ 8,867	\$ -	\$ 135,841

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.3.1 Computer Hardware	Computer Hardware				31,180	0	0	0	\$ 31,180
1.3.2 Computer Software	Computer Software				1,532	0	0	0	\$ 1,532
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include AS/400 disk space, backup and recovery computer, UPS, etc.)</i>					0	0	0	0	\$ -
Total Advanced Metering Control Computer (AMCC)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,712</u>

1.4 WIDE AREA NETWORK (WAN)

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.4.1 Activation Fees					0	0	0	0	\$ -
Total Wide Area Network (WAN)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>					0	0	0	0	\$ -
1.5.2 AMI Interface to CIS	Computer Software				0	9,381	0	0	\$ 9,381
1.5.3 Professional Fees					0	0	0	0	\$ -
1.5.4 Integration	Smart Meter				0	0	0	0	\$ -
1.5.5 Program Management	Smart Meter				10,605	16,889	12,314	0	\$ 39,808
1.5.6 Other AMI Capital	Computer Software				0	21,275	29,586	0	\$ 50,861
Total Other AMI Capital Costs Related to Minimum Functionality:		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,605</u>	<u>\$ 47,545</u>	<u>\$ 41,900</u>	<u>\$ -</u>	<u>\$ 100,050</u>
Total Capital Costs Related to Minimum Functionality:		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,260</u>	<u>\$ 1,727,401</u>	<u>\$ 382,578</u>	<u>\$ -</u>	<u>\$ 2,485,239</u>

1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY

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

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	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					0	0	0	0	\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service					0	0	0	0	\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Computer Software				0	0	6,864	49,197	\$ 56,061
Total Capital Costs Beyond Minimum Functionality:		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,864</u>	<u>\$ 49,197</u>	<u>\$ 56,061</u>
Total Smart Meter Capital Costs		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,260</u>	<u>\$ 1,727,401</u>	<u>\$ 389,442</u>	<u>\$ 49,197</u>	<u>\$ 2,541,300</u>

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

2.1.1 Maintenance (may include meter reverification costs, etc.)

2.1.2 Other (please specify)

Total Incremental AMCD OM&A Costs

2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

2.2.1 Maintenance

2.2.2 Other (please specify)

Total Incremental AMRC OM&A Costs

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.)

2.3.2 Other (please specify)

Total Incremental AMCC OM&A Costs

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify)

Total Incremental AMRC OM&A Costs

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2.5.2 Customer Communication (may include project communication, etc.)

2.5.3 Program Management

2.5.4 Change Management (may include training, etc.)

2.5.5 Administration Costs

2.5.6 Other AMI Expenses

(please specify)

Total Other AMI OM&A Costs Related to Minimum Functionality

TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY

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

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

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

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

Total OM&A Costs Beyond Minimum Functionality

Total Smart Meter OM&A Costs

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
				0	0	0	0	\$ -
				0	0	0	0	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				0	7,214	9,629	10,918	\$ 27,760
				0	0	0	0	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ 7,214	\$ 9,629	\$ 10,918	\$ 27,760
		0		0	0	0	0	\$ -
		5,997	1,637	3,947	3,002	4,076	10,058	\$ 28,716
		0		0	0	0	0	\$ -
	\$ -	\$ 5,997	\$ 1,637	\$ 3,947	\$ 3,002	\$ 4,076	\$ 10,058	\$ 28,716
		1,070	3,395	2,639	1,468	596	0	\$ 9,167
				0	0	0	0	\$ -
	\$ -	\$ 1,070	\$ 3,395	\$ 2,639	\$ 1,468	\$ 596	\$ -	\$ 9,167
				0	60	2,214	11,288	\$ 13,562
				3,452	589	0	0	\$ 4,041
		1,891	2,232	4,102	325	0	0	\$ 8,549
			0	195	0	0	0	\$ 195
			536	0	0	0	0	\$ 536
			267	1,485	984	9,188		\$ 11,924
	\$ -	\$ -	\$ 1,891	\$ 6,486	\$ 6,430	\$ 3,523	\$ 20,476	\$ 38,806
	\$ -	\$ 7,067	\$ 6,923	\$ 13,072	\$ 18,113	\$ 17,824	\$ 41,451	\$ 104,450
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual		
				0	0	0	0	\$ -
				0	0	0	0	\$ -
				0	11,628	12,398	4,583	\$ 28,609
	\$ -	\$ -	\$ -	\$ -	\$ 11,628	\$ 12,398	\$ 4,583	\$ 28,609
	\$ -	\$ 7,067	\$ 6,923	\$ 13,072	\$ 29,741	\$ 30,222	\$ 46,034	\$ 133,060

3 Aggregate Smart Meter Costs by Category

3.1	Capital																
3.1.1	Smart Meter	\$	-	\$	-	\$	-	\$	341,537	\$	1,681,139	\$	352,543	\$	-	\$	2,375,219
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	32,191	\$	15,606	\$	449	\$	-	\$	48,246
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	1,532	\$	30,656	\$	36,451	\$	49,197	\$	117,835
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.7	Total Capital Costs	\$	-	\$	-	\$	-	\$	375,260	\$	1,727,401	\$	389,442	\$	49,197	\$	2,541,300
3.2	OM&A Costs																
3.2.1	Total OM&A Costs	\$	-	\$	7,067	\$	6,923	\$	13,072	\$	29,741	\$	30,222	\$	46,034	\$	133,060



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure¹							
Deemed Short-term Debt Capitalization			0.0%	0.0%	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%
Deemed Equity Capitalization	45.0%	45.0%	42.5%	40.0%	40.0%	40.0%	40.0%
Preferred Shares	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital Parameters							
Deemed Short-term Debt Rate			0.00%	0.00%	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%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WACC	7.35%	7.35%	7.28%	7.20%	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%
<i>(% of the sum of Cost of Power + controllable expenses)</i>							
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
Depreciation Rates							
<i>(expressed as expected useful life in years)</i>							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	3	3	3	3	3	3	3
- rate (%)	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Tools & Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CCA Rates							
Smart Meters - CCA Class	47	47	47	47	47	47	47
Smart Meters - CCA Rate	8%	8%	8%	8%	8%	8%	8%
Computer Equipment - CCA Class	45	50	50	52	52	50	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	55%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class	45	50	50	52	52	50	50
Applications Software - CCA Rate	45%	55%	55%	100%	100%	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 straight line basis and has the "half-year" rule applied.



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 341,537	\$ 2,022,676	\$ 2,375,219
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 341,537	\$ 1,681,139	\$ 352,543	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 341,537	\$ 2,022,676	\$ 2,375,219	\$ 2,375,219
Accumulated Depreciation							
Opening Balance		\$ -	\$ -	\$ -	\$ 11,385	\$ 90,192	\$ 236,788
Amortization expense during year	\$ -	\$ -	\$ -	\$ 11,385	\$ 78,807	\$ 146,597	\$ 158,348
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 11,385	\$ 90,192	\$ 236,788	\$ 395,136
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 330,153	\$ 1,932,485	\$ 2,138,431
Closing Balance	\$ -	\$ -	\$ -	\$ 330,153	\$ 1,932,485	\$ 2,138,431	\$ 1,980,083
Average Net Book Value	\$ -	\$ -	\$ -	\$ 165,076	\$ 1,131,319	\$ 2,035,458	\$ 2,059,257
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 32,191	\$ 47,797	\$ 48,246
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 32,191	\$ 15,606	\$ 449	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 32,191	\$ 47,797	\$ 48,246	\$ 48,246
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 3,219	\$ 11,218	\$ 20,822
Amortization expense during year	\$ -	\$ -	\$ -	\$ 3,219	\$ 7,999	\$ 9,604	\$ 9,649
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 3,219	\$ 11,218	\$ 20,822	\$ 30,471
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 28,972	\$ 36,579	\$ 27,424
Closing Balance	\$ -	\$ -	\$ -	\$ 28,972	\$ 36,579	\$ 27,424	\$ 17,774
Average Net Book Value	\$ -	\$ -	\$ -	\$ 14,486	\$ 32,775	\$ 32,001	\$ 22,599
Net Fixed Assets - Computer Software (including Applications Software)							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 1,532	\$ 32,188	\$ 68,638
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 1,532	\$ 30,656	\$ 36,451	\$ 49,197
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 1,532	\$ 32,188	\$ 68,638	\$ 117,835
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 255	\$ 5,875	\$ 22,680
Amortization expense during year	\$ -	\$ -	\$ -	\$ 255	\$ 5,620	\$ 16,804	\$ 31,079
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 255	\$ 5,875	\$ 22,680	\$ 53,758
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,276	\$ 26,313	\$ 45,959
Closing Balance	\$ -	\$ -	\$ -	\$ 1,276	\$ 26,313	\$ 45,959	\$ 64,077
Average Net Book Value	\$ -	\$ -	\$ -	\$ 638	\$ 13,795	\$ 36,136	\$ 55,018

Net Fixed Assets - Tools and Equipment

Gross Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during yea	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Fixed Assets - Other Equipment

Gross Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Book Value

BOOK VALUE												
Opening Balance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Closing Balance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Average Net Book Value	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 165,076	\$ 1,131,319	\$ 2,035,458	\$ 2,059,257
Computer Hardware	\$ -	\$ -	\$ -	\$ 14,486	\$ 32,775	\$ 32,001	\$ 22,599
Computer Software	\$ -	\$ -	\$ -	\$ 638	\$ 13,795	\$ 36,136	\$ 55,018
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Fixed Assets	\$ -	\$ -	\$ -	\$ 180,200	\$ 1,177,889	\$ 2,103,595	\$ 2,136,873
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ 7,067	\$ 6,923	\$ 13,072	\$ 29,741	\$ 30,222	\$ 46,034
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ 1,060	\$ 1,038	\$ 1,961	\$ 4,461	\$ 4,533	\$ 6,905
Incremental Smart Meter Rate Base	\$ -	\$ 1,060	\$ 1,038	\$ 182,161	\$ 1,182,350	\$ 2,108,128	\$ 2,143,778
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 47,294	\$ 84,325	\$ 85,751
Deemed Long Term Debt	\$ -	\$ 583	\$ 597	\$ 109,297	\$ 662,116	\$ 1,180,552	\$ 1,200,516
Equity	\$ -	\$ 477	\$ 441	\$ 72,864	\$ 472,940	\$ 843,251	\$ 857,511
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ 1,060	\$ 1,038	\$ 182,161	\$ 1,182,350	\$ 2,108,128	\$ 2,143,778
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 979	\$ 1,746	\$ 1,775
Deemed Long Term Debt	\$ -	\$ 35	\$ 36	\$ 6,558	\$ 38,866	\$ 69,298	\$ 70,470
Equity	\$ -	\$ 43	\$ 40	\$ 6,558	\$ 46,585	\$ 83,060	\$ 84,465
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ 78	\$ 76	\$ 13,116	\$ 86,430	\$ 154,104	\$ 156,710
Operating Expenses	\$ -	\$ 7,067	\$ 6,923	\$ 13,072	\$ 29,741	\$ 30,222	\$ 46,034
Amortization Expenses (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 11,385	\$ 78,807	\$ 146,597	\$ 158,348
Computer Hardware	\$ -	\$ -	\$ -	\$ 3,219	\$ 7,999	\$ 9,604	\$ 9,649
Computer Software	\$ -	\$ -	\$ -	\$ 255	\$ 5,620	\$ 16,804	\$ 31,079
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amortization Expense in Year	\$ -	\$ -	\$ -	\$ 14,859	\$ 92,426	\$ 173,005	\$ 199,076
Incremental Revenue Requirement before Taxes/PILs	\$ -	\$ 7,145	\$ 6,999	\$ 41,047	\$ 208,597	\$ 357,331	\$ 401,820
Calculation of Taxable Income							
Incremental Operating Expenses	\$ -	\$ 7,067	\$ 6,923	\$ 13,072	\$ 29,741	\$ 30,222	\$ 46,034
Amortization Expense	\$ -	\$ -	\$ -	\$ 14,859	\$ 92,426	\$ 173,005	\$ 199,076
Interest Expense	\$ -	\$ 35	\$ 36	\$ 6,558	\$ 39,845	\$ 71,044	\$ 72,245
Net Income for Taxes/PILs	\$ -	\$ 43	\$ 40	\$ 6,558	\$ 46,585	\$ 83,060	\$ 84,465
Grossed-up Taxes/PILs (from Sheet 7)	\$ -	\$ 24.28	\$ 20.01	\$ 3,674.16	\$ 3,986.57	\$ 25,927.45	\$ 29,013.55
Revenue Requirement, including Grossed-up Taxes/PILs	\$ -	\$ 7,169	\$ 7,019	\$ 37,372	\$ 212,583	\$ 383,259	\$ 430,834



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution 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 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 327,875.63	\$ 1,915,539.16	\$ 2,100,736.90
Capital Additions	\$ -	\$ -	\$ -	\$ 341,537.11	\$ 1,681,139.15	\$ 352,542.58	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 341,537.11	\$ 2,009,014.78	\$ 2,268,081.74	\$ 2,100,736.90
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 170,768.56	\$ 840,569.58	\$ 176,271.29	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 170,768.56	\$ 1,168,445.20	\$ 2,091,810.45	\$ 2,100,736.90
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ -	\$ 13,661.48	\$ 93,475.62	\$ 167,344.84	\$ 168,058.95
Closing UCC	\$ -	\$ -	\$ -	\$ 327,875.63	\$ 1,915,539.16	\$ 2,100,736.90	\$ 1,932,677.95

UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 16,861.29	\$ 23,131.15	\$ 37,160.87
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ 32,190.79	\$ 15,606.34	\$ 448.60	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ 1,531.79	\$ 30,655.96	\$ 36,450.52	\$ 49,196.83
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 33,722.59	\$ 63,123.59	\$ 60,030.26	\$ 86,357.71
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 16,861.29	\$ 23,131.15	\$ 18,449.56	\$ 24,598.42
Reduced UCC	\$ -	\$ -	\$ -	\$ 16,861.29	\$ 39,992.44	\$ 41,580.70	\$ 61,759.29
CCA Rate Class	45	50	50	52	52	50	50
CCA Rate	45%	55%	55%	100%	100%	55%	55%
CCA	\$ -	\$ -	\$ -	\$ 16,861.29	\$ 39,992.44	\$ 22,869.39	\$ 33,967.61
Closing UCC	\$ -	\$ -	\$ -	\$ 16,861.29	\$ 23,131.15	\$ 37,160.87	\$ 52,390.10

UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
INCOME TAX							
Net Income	\$ -	\$ 42.93	\$ 39.72	\$ 6,557.80	\$ 46,584.58	\$ 83,060.24	\$ 84,464.87
Amortization	\$ -	\$ -	\$ -	\$ 14,858.95	\$ 92,425.83	\$ 173,005.13	\$ 199,075.96
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 13,661.48	\$ 93,475.62	\$ 167,344.84	\$ 168,058.95
CCA - Computers	\$ -	\$ -	\$ -	\$ 16,861.29	\$ 39,992.44	\$ 22,869.39	\$ 33,967.61
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ 42.93	\$ 39.72	\$ 9,106.03	\$ 5,542.35	\$ 65,851.14	\$ 81,514.27
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Income Taxes Payable	\$ -	\$ 15.51	\$ 13.31	\$ 3,004.99	\$ 1,718.13	\$ 18,602.95	\$ 21,397.50
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ -	\$ -	\$ 330,152.54	\$ 1,932,484.58	\$ 2,138,430.66	\$ 1,980,082.73
Computer Hardware	\$ -	\$ -	\$ -	\$ 28,971.71	\$ 36,579.26	\$ 27,423.57	\$ 17,774.43
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ 1,276.49	\$ 26,312.53	\$ 45,958.71	\$ 64,076.65
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 360,400.75	\$ 1,995,376.36	\$ 2,211,812.93	\$ 2,061,933.80
Less: Exemption							
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 360,400.75	\$ 1,995,376.36	\$ 2,211,812.93	\$ 2,061,933.80
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 810.90	\$ 1,496.53	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ 15.51	\$ 13.31	\$ 3,004.99	\$ 1,718.13	\$ 18,602.95	\$ 21,397.50
Change in OCT	\$ -	\$ -	\$ -	\$ 810.90	\$ 1,496.53	\$ -	\$ -
PILs	\$ -	\$ 15.51	\$ 13.31	\$ 2,194.09	\$ 3,214.66	\$ 18,602.95	\$ 21,397.50
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Change in Income Taxes Payable	\$ -	\$ 24.28	\$ 20.01	\$ 4,485.06	\$ 2,490.04	\$ 25,927.45	\$ 29,013.55
Change in OCT	\$ -	\$ -	\$ -	\$ 810.90	\$ 1,496.53	\$ -	\$ -
PILs	\$ -	\$ 24.28	\$ 20.01	\$ 3,674.16	\$ 3,986.57	\$ 25,927.45	\$ 29,013.55



Oakville Hydro Electricity Distribution Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -		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	\$ -	\$ 709.06	4.59%	\$ -	\$ 709.06	\$ 0.30	
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 709.06	\$ 3,347.79	4.59%	\$ 2.71	\$ 4,059.56	\$ 0.30	
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 4,059.56	\$ 3,405.08	4.59%	\$ 15.52	\$ 7,477.45	\$ 0.30	
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 7,461.93	\$ 11,245.51	4.59%	\$ 28.54	\$ 18,735.98	\$ 0.30	
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 18,707.44	\$ 3,013.74	4.59%	\$ 71.56	\$ 21,792.74	\$ 21,839.51	\$ 0.30
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 21,721.18	\$ 1,433.69	4.59%	\$ 83.08	\$ 23,237.95	\$ 0.30	
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 23,154.87	\$ 1,256.61	4.59%	\$ 88.57	\$ 24,500.05	\$ 0.30	
2009 Q3	0.55%	4.66%	Mar-07	2007	Q1	\$ 24,411.48	\$ 1,472.98	4.59%	\$ 93.37	\$ 25,977.84	\$ 0.30	
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 25,884.47	\$ 1,152.54	4.59%	\$ 99.01	\$ 27,176.03	\$ 0.30	
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 27,077.02	\$ 1,566.23	4.59%	\$ 103.57	\$ 28,746.82	\$ 0.27	
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 28,643.25	\$ 1,214.41	4.59%	\$ 109.56	\$ 29,967.22	\$ 0.27	
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 29,857.66	\$ 1,477.13	4.59%	\$ 114.21	\$ 31,449.00	\$ 0.27	
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 31,334.79	\$ 1,366.82	4.59%	\$ 119.86	\$ 32,821.47	\$ 0.27	
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 32,701.61	\$ 1,404.15	4.59%	\$ 125.08	\$ 34,230.84	\$ 0.27	
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 34,105.76	\$ 1,256.56	5.14%	\$ 146.09	\$ 35,508.42	\$ 0.27	
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 35,362.33	\$ 1,570.52	5.14%	\$ 151.47	\$ 37,084.32	\$ 0.27	
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 36,932.85	\$ 1,182.99	5.14%	\$ 158.20	\$ 38,274.04	\$ 17,786.73	\$ 0.27
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 38,115.84	\$ 1,525.97	5.14%	\$ 163.26	\$ 39,805.06	\$ 0.27	
2012 Q2	4.29%	4.29%	Feb-08	2008	Q1	\$ 39,641.83	\$ 1,186.17	5.14%	\$ 169.80	\$ 40,997.80	\$ 0.27	
2012 Q3	4.29%	4.29%	Mar-08	2008	Q1	\$ 40,828.00	\$ 1,376.37	5.14%	\$ 174.88	\$ 42,379.25	\$ 0.27	
2012 Q4	4.29%	4.29%	Apr-08	2008	Q2	\$ 42,204.37	\$ 1,335.74	4.08%	\$ 143.49	\$ 43,683.60	\$ 0.27	
			May-08	2008	Q2	\$ 43,540.11	\$ 1,401.72	4.08%	\$ 148.04	\$ 45,089.87	\$ 0.27	
			Jun-08	2008	Q2	\$ 44,941.83	\$ 1,389.98	4.08%	\$ 152.80	\$ 46,494.49	\$ 0.27	
			Jul-08	2008	Q3	\$ 46,341.69	\$ 1,514.87	3.35%	\$ 129.37	\$ 47,985.92	\$ 0.27	
			Aug-08	2008	Q3	\$ 47,856.55	\$ 1,260.76	3.35%	\$ 133.60	\$ 49,250.92	\$ 0.27	
			Sep-08	2008	Q3	\$ 49,117.32	\$ 1,475.62	3.35%	\$ 137.12	\$ 50,730.06	\$ 0.27	
			Oct-08	2008	Q4	\$ 50,592.94	\$ 1,343.21	3.35%	\$ 141.24	\$ 52,077.39	\$ 0.27	
			Nov-08	2008	Q4	\$ 51,936.15	\$ 1,441.16	3.35%	\$ 144.99	\$ 53,522.30	\$ 0.27	
			Dec-08	2008	Q4	\$ 53,377.31	\$ 1,315.07	3.35%	\$ 149.01	\$ 54,841.39	\$ 18,364.14	\$ 0.27
			Jan-09	2009	Q1	\$ 54,692.38	\$ 1,438.83	2.45%	\$ 111.66	\$ 56,242.87	\$ 0.27	
			Feb-09	2009	Q1	\$ 56,131.21	\$ 1,271.66	2.45%	\$ 114.60	\$ 57,517.47	\$ 0.27	
			Mar-09	2009	Q1	\$ 57,402.87	\$ 1,485.13	2.45%	\$ 117.20	\$ 59,015.20	\$ 0.27	
			Apr-09	2009	Q2	\$ 58,898.00	\$ 1,226.97	1.00%	\$ 49.08	\$ 60,174.05	\$ 0.27	
			May-09	2009	Q2	\$ 60,124.97	\$ 1,483.41	1.00%	\$ 50.10	\$ 61,658.48	\$ 1.00	
			Jun-09	2009	Q2	\$ 61,608.38	\$ 3,104.32	1.00%	\$ 51.34	\$ 64,764.04	\$ 1.00	
			Jul-09	2009	Q3	\$ 64,712.70	\$ 4,791.75	0.55%	\$ 29.66	\$ 69,534.11	\$ 1.00	
			Aug-09	2009	Q3	\$ 69,504.45	\$ 5,079.03	0.55%	\$ 31.86	\$ 74,615.34	\$ 1.00	
			Sep-09	2009	Q3	\$ 74,603.48	\$ 5,240.33	0.55%	\$ 34.18	\$ 79,857.99	\$ 1.00	
			Oct-09	2009	Q4	\$ 79,823.81	\$ 5,103.13	0.55%	\$ 36.59	\$ 84,963.53	\$ 1.00	
			Nov-09	2009	Q4	\$ 84,926.94	\$ 3,830.86	0.55%	\$ 38.92	\$ 88,796.72	\$ 1.00	
			Dec-09	2009	Q4	\$ 88,757.80	\$ 6,065.51	0.55%	\$ 40.68	\$ 94,863.99	\$ 40,836.81	\$ 1.00
			Jan-10	2010	Q1	\$ 94,823.31	\$ 5,228.55	0.55%	\$ 43.46	\$ 100,095.32	\$ 1.00	
			Feb-10	2010	Q1	\$ 100,051.86	\$ 5,085.35	0.55%	\$ 45.86	\$ 105,183.07	\$ 1.00	
			Mar-10	2010	Q1	\$ 105,137.21	\$ 5,148.66	0.55%	\$ 48.19	\$ 110,334.06	\$ 1.00	
			Apr-10	2010	Q2	\$ 110,285.87	\$ 5,326.65	0.55%	\$ 50.55	\$ 115,663.07	\$ 1.00	
			May-10	2010	Q2	\$ 115,612.52	\$ 5,015.38	0.55%	\$ 52.99	\$ 120,680.89	\$ 1.69	
			Jun-10	2010	Q2	\$ 120,627.90	\$ 7,404.56	0.55%	\$ 55.29	\$ 128,087.75	\$ 1.69	
			Jul-10	2010	Q3	\$ 128,032.46	\$ 8,493.82	0.89%	\$ 94.96	\$ 136,621.25	\$ 1.69	
			Aug-10	2010	Q3	\$ 136,526.29	\$ 8,698.33	0.89%	\$ 101.26	\$ 145,325.88	\$ 1.69	
			Sep-10	2010	Q3	\$ 145,224.62	\$ 8,840.97	0.89%	\$ 107.71	\$ 154,173.30	\$ 1.69	
			Oct-10	2010	Q4	\$ 154,065.59	\$ 8,747.30	1.20%	\$ 154.07	\$ 162,966.96	\$ 1.69	
			Nov-10	2010	Q4	\$ 162,812.89	\$ 8,236.90	1.20%	\$ 162.81	\$ 171,212.61	\$ 1.69	
			Dec-10	2010	Q4	\$ 171,049.80	\$ 7,983.89	1.20%	\$ 171.05	\$ 179,204.74	\$ 85,298.58	\$ 1.69
			Jan-11	2011	Q1	\$ 179,033.69	\$ 10,561.26	1.47%	\$ 219.32	\$ 189,814.27	\$ 1.69	
			Feb-11	2011	Q1	\$ 189,594.95	\$ 9,631.12	1.47%	\$ 232.25	\$ 199,458.32	\$ 1.69	
			Mar-11	2011	Q1	\$ 199,226.07	\$ 9,133.68	1.47%	\$ 244.05	\$ 208,603.80	\$ 1.69	
			Apr-11	2011	Q2	\$ 208,359.75	\$ 10,016.46	1.47%	\$ 255.24	\$ 218,631.45	\$ 1.69	
			May-11	2011	Q2	\$ 218,376.21	\$ 7,933.88	1.47%	\$ 267.51	\$ 226,577.60	\$ 1.69	
			Jun-11	2011	Q2	\$ 226,310.09	\$ 11,621.71	1.47%	\$ 277.23	\$ 238,209.03	\$ 1.69	
			Jul-11	2011	Q3	\$ 237,931.80	\$ 7,019.41	1.47%	\$ 291.47	\$ 245,242.69	\$ 1.69	
			Aug-11	2011	Q3	\$ 244,951.22	\$ 9,155.38	1.47%	\$ 300.07	\$ 254,406.67	\$ 1.69	
			Sep-11	2011	Q3	\$ 254,106.60	\$ 12,093.28	1.47%	\$ 311.28	\$ 266,511.16	\$ 1.69	
			Oct-11	2011	Q4	\$ 266,199.88	\$ 9,985.93	1.47%	\$ 326.09	\$ 276,511.90	\$ 1.69	
			Nov-11	2011	Q4	\$ 276,185.81	\$ 8,073.35	1.47%	\$ 338.33	\$ 284,597.49	\$ 1.69	
			Dec-11	2011	Q4	\$ 284,259.16	\$ 9,645.46	1.47%	\$ 348.22	\$ 294,252.85	\$ 118,282.00	\$ 1.69
			Jan-12	2012	Q1	\$ 293,904.63	\$ 9,744.48	1.47%	\$ 360.03	\$ 304,009.14	\$ 1.69	
			Feb-12	2012	Q1	\$ 303,649.11	\$ 9,757.65	1.47%	\$ 371.97	\$ 313,778.72	\$ 1.69	
			Mar-12	2012	Q1	\$ 313,406.75	\$ 9,770.61	1.47%	\$ 383.92	\$ 323,561.48	\$ 1.69	
			Apr-12	2012	Q2	\$ 323,177.56	\$ 9,763.97	1.47%	\$ 395.89	\$ 333,357.43	\$ 1.69	
			May-12	2012	Q2	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Jun-12	2012	Q2	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Jul-12	2012	Q3	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Aug-12	2012	Q3	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Sep-12	2012	Q3	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Oct-12	2012	Q4	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Nov-12	2012	Q4	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54		
			Dec-12	2012	Q4	\$ 332,961.54		0.00%	\$ -	\$ 332,961.54	\$ 40,568.72	
Total Funding Adder Revenues Collected							\$ 332,961.54		\$ 10,014.94	\$ 342,976.48	\$ 342,976.48	



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution 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%	4.29%	Dec-07	2007	Q4	-	\$ 7,067.21	\$ -	7,067.21	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	7,067.21	\$ 358.97	\$ -	7,426.18	5.14%	30.27	30.27
2012 Q2	0.00%	4.29%	Feb-08	2008	Q1	7,426.18	\$ 358.97	\$ -	7,785.16	5.14%	31.81	62.08
2012 Q3	0.00%	4.29%	Mar-08	2008	Q1	7,785.16	\$ 358.97	\$ -	8,144.13	5.14%	33.35	95.43
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	8,144.13	\$ 358.97	\$ -	8,503.11	4.08%	27.69	123.12
			May-08	2008	Q2	8,503.11	\$ 2,373.07	\$ -	10,876.17	4.08%	28.91	152.03
			Jun-08	2008	Q2	10,876.17	\$ 349.46	\$ -	11,225.64	4.08%	36.98	189.01
			Jul-08	2008	Q3	11,225.64	\$ 382.40	\$ -	11,608.04	3.35%	31.34	220.34
			Aug-08	2008	Q3	11,608.04	\$ 348.08	\$ -	11,956.11	3.35%	32.41	252.75
			Sep-08	2008	Q3	11,956.11	\$ 323.99	\$ -	12,280.11	3.35%	33.38	286.13
			Oct-08	2008	Q4	12,280.11	\$ 469.16	\$ -	12,749.26	3.35%	34.28	320.41
			Nov-08	2008	Q4	12,749.26	\$ 717.46	\$ -	13,466.72	3.35%	35.59	356.00
			Dec-08	2008	Q4	13,466.72	\$ 523.51	\$ -	13,990.23	3.35%	37.59	393.60
			Jan-09	2009	Q1	13,990.23	\$ 420.22	\$ -	14,410.46	2.45%	28.56	422.16
			Feb-09	2009	Q1	14,410.46	\$ 438.62	\$ -	14,849.08	2.45%	29.42	451.58
			Mar-09	2009	Q1	14,849.08	\$ 456.74	\$ -	15,305.82	2.45%	30.32	481.90
			Apr-09	2009	Q2	15,305.82	\$ 1,035.13	\$ -	16,340.94	1.00%	12.75	494.65
			May-09	2009	Q2	16,340.94	\$ 400.72	\$ -	16,741.66	1.00%	13.62	508.27
			Jun-09	2009	Q2	16,741.66	\$ 508.71	\$ -	17,250.37	1.00%	13.95	522.22
			Jul-09	2009	Q3	17,250.37	\$ 438.10	\$ -	17,688.47	0.55%	7.91	530.13
			Aug-09	2009	Q3	17,688.47	\$ 739.35	\$ -	18,427.82	0.55%	8.11	538.23
			Sep-09	2009	Q3	18,427.82	\$ 3,200.83	\$ -	21,628.64	0.55%	8.45	546.68
			Oct-09	2009	Q4	21,628.64	\$ 2,106.04	\$ -	23,734.69	0.55%	9.91	556.59
			Nov-09	2009	Q4	23,734.69	\$ 1,626.74	\$ -	25,361.43	0.55%	10.88	567.47
			Dec-09	2009	Q4	25,361.43	\$ 1,700.80	\$ -	27,062.23	0.55%	11.62	579.10
			Jan-10	2010	Q1	27,062.23	\$ 1,991.99	\$ 1,885.98	30,940.20	0.55%	12.40	591.50
			Feb-10	2010	Q1	30,940.20	\$ 1,811.61	\$ 1,885.98	34,637.79	0.55%	14.18	605.68
			Mar-10	2010	Q1	34,637.79	\$ 2,265.56	\$ 1,885.98	38,789.33	0.55%	15.88	621.56
			Apr-10	2010	Q2	38,789.33	\$ 1,978.25	\$ 1,885.98	42,653.55	0.55%	17.78	639.33
			May-10	2010	Q2	42,653.55	\$ 1,567.02	\$ 1,885.98	46,106.55	0.55%	19.55	658.88
			Jun-10	2010	Q2	46,106.55	\$ 2,240.71	\$ 1,885.98	50,233.24	0.55%	21.13	680.02
			Jul-10	2010	Q3	50,233.24	\$ 1,449.41	\$ 1,885.98	53,568.62	0.89%	37.26	717.27
			Aug-10	2010	Q3	53,568.62	\$ 1,287.45	\$ 1,885.98	56,742.05	0.89%	39.73	757.00
			Sep-10	2010	Q3	56,742.05	\$ 3,556.62	\$ 1,885.98	62,184.66	0.89%	42.08	799.09
			Oct-10	2010	Q4	62,184.66	\$ 3,022.83	\$ 1,885.98	67,093.46	1.20%	62.18	861.27
			Nov-10	2010	Q4	67,093.46	\$ 5,248.71	\$ 1,885.98	74,228.15	1.20%	67.09	928.36
			Dec-10	2010	Q4	74,228.15	\$ 3,321.15	\$ 1,885.98	79,435.28	1.20%	74.23	1,002.59
			Jan-11	2011	Q1	79,435.28	\$ 1,934.01	\$ 4,098.27	85,467.55	1.47%	97.31	1,099.90
			Feb-11	2011	Q1	85,467.55	\$ 1,656.34	\$ 4,098.27	91,222.16	1.47%	104.70	1,204.60
			Mar-11	2011	Q1	91,222.16	\$ 4,028.96	\$ 4,098.27	99,349.39	1.47%	111.75	1,316.35
			Apr-11	2011	Q2	99,349.39	\$ 588.37	\$ 4,098.27	104,036.02	1.47%	121.70	1,438.05
			May-11	2011	Q2	104,036.02	\$ 3,613.93	\$ 4,098.27	111,748.22	1.47%	127.44	1,565.49
			Jun-11	2011	Q2	111,748.22	\$ 3,398.15	\$ 4,098.27	119,244.63	1.47%	136.89	1,702.38
			Jul-11	2011	Q3	119,244.63	\$ 2,532.43	\$ 4,098.27	125,875.33	1.47%	146.07	1,848.46
			Aug-11	2011	Q3	125,875.33	\$ 2,259.96	\$ 4,098.27	132,233.55	1.47%	154.20	2,002.66
			Sep-11	2011	Q3	132,233.55	\$ 3,685.35	\$ 4,098.27	140,017.17	1.47%	161.99	2,164.64
			Oct-11	2011	Q4	140,017.17	\$ 1,916.14	\$ 4,098.27	146,031.57	1.47%	171.52	2,336.16
			Nov-11	2011	Q4	146,031.57	\$ 1,472.89	\$ 4,098.27	151,602.72	1.47%	178.89	2,515.05
			Dec-11	2011	Q4	151,602.72	\$ 3,135.54	\$ 4,098.27	158,836.53	1.47%	185.71	2,700.77
			Jan-12	2012	Q1	158,836.53	\$ 899.21	\$ 4,432.55	164,168.29	1.47%	194.57	2,895.34
			Feb-12	2012	Q1	164,168.29	\$ 565.11	\$ 4,432.55	169,165.96	1.47%	201.11	3,096.45
			Mar-12	2012	Q1	169,165.96	\$ 588.57	\$ 4,432.55	174,187.09	1.47%	207.23	3,303.68
			Apr-12	2012	Q2	174,187.09	\$ 4,052.14	\$ 4,432.55	182,671.78	1.47%	213.38	3,517.05
			May-12	2012	Q2	182,671.78			182,671.78	0.00%	-	3,517.05
			Jun-12	2012	Q2	182,671.78			182,671.78	0.00%	-	3,517.05
			Jul-12	2012	Q3	182,671.78			182,671.78	0.00%	-	3,517.05
			Aug-12	2012	Q3	182,671.78			182,671.78	0.00%	-	3,517.05
			Sep-12	2012	Q3	182,671.78			182,671.78	0.00%	-	3,517.05
			Oct-12	2012	Q4	182,671.78			182,671.78	0.00%	-	3,517.05
			Nov-12	2012	Q4	182,671.78			182,671.78	0.00%	-	3,517.05
			Dec-12	2012	Q4	182,671.78			182,671.78	0.00%	-	3,517.05
						\$	93,130.64	\$ 89,541.14	\$ 182,671.78			



Ontario Energy Board

Smart Meter Model

Oakville Hydro Electricity Distribution Inc.

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

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -
2007	\$ 7,067.21	\$ -	\$ 7,067.21	\$ 3,533.60	4.73%	\$ 167.05
2008	\$ 6,923.03	\$ -	\$ 13,990.23	\$ 10,528.72	3.98%	\$ 419.04
2009	\$ 13,072.04	\$ 14,858.95	\$ 41,921.22	\$ 27,955.73	1.14%	\$ 318.00
2010	\$ 29,741.29	\$ 92,425.83	\$ 164,088.34	\$ 103,004.78	0.80%	\$ 821.46
2011	\$ 30,222.10	\$ 173,005.13	\$ 367,315.57	\$ 265,701.96	1.47%	\$ 3,905.82
2012	\$ 46,033.91	\$ 199,075.96	\$ 612,425.44	\$ 489,870.50	1.47%	\$ 7,201.10
Cumulative Interest to 2011						\$ 5,631.37
Cumulative Interest to 2012						\$ 12,832.47



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

 Smart Meter Funding Adder (SMFA)

☒ Smart Meter Disposition Rider (SMDR)

X	Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)
---	--

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

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

	2006	2007	2008	2009	2010	2011	2012 and later	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ 7,169.40	\$ 7,018.58	\$ 37,372.44	\$ 212,583.46	\$ 383,258.84	\$ 430,833.63	\$ 1,078,236.35
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below)	\$ -	\$ -	\$ 393.60	\$ 185.50	\$ 423.50	\$ 1,698.17		\$ 2,700.77

[illegible]

SMFA Revenues (from Sheet 8)	\$	21,721.18	\$	16,394.66	\$	16,576.54	\$	40,130.94	\$	84,210.38	\$	114,870.94	\$	39,056.91	\$	332,961.54
SMFA Interest (from Sheet 8)	\$	118.33	\$	1,392.07	\$	1,787.60	\$	705.87	\$	1,088.20	\$	3,411.06	\$	1,511.81	\$	10,014.94
Net Deferred Revenue Requirement	-\$	21,839.51	-\$	10,617.33	-\$	10,951.96	-\$	3,278.87	\$	127,708.38	\$	266,675.01	\$	390,264.91	\$	737,960.64

Number of Metered Customers (average for 2012 test year)	4898
--	------

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

Years for collection or refunding

2

Deferred Incremental Revenue Requirement from 2006 to December 31, 2011

\$ 650.103.48

plus Interest on OM&A and Amortization

SMFA Revenues collected from 2006 to 2012 test year (inclusive)

\$ 342,976.48

Plus Simple Interest on SMFA Revenues

\$ 307,127.01

Net Deferred Revenue Requirement

\$ 2.61

Match

Check: Forecasted SMDR Revenues

\$ 306.810.72

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

Incremental Revenue Requirement for 2012

\$ 430,833.63

SMIRR

\$ 7.33

Match

Check: Forecasted SMIRR Revenues

\$ 430,828.08