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July 3, 2012

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

Dear Ms. Walli:

**RE: COLLUS Power Corp – Smart Meter Deployment Disposition & Recovery Application
Board File No: EB-2012-0017
Updated information as requested by Board staff July 2, 2012**

COLLUS Power Corp (“COLLUS”) is providing with this letter an updated Smart Meter model as per Board staff’s instruction after it was determined that the 2009 to 2012 long term debt rate required change. The model submitted on June 27, 2012 had 6.2% in place and it should have been 5.79% as per previous Board resolution. The Board staff’s instruction has been adhered to in the attachments with the following results and detailed information of the steps taken:

1. The Deferred Incremental Revenue Requirement amount from 2008 to Dec 2011 plus interest on OM&A and Amortization changes to \$954,966 (formerly \$979,662). In addition, the 2012 Smart Meter Incremental Revenue Requirement changes to \$631,349 (formerly \$641,122). The updated Model is submitted with this information filing for consideration by Board staff and the intervenor (VECC).
2. That the resulting per meter per month SMDR amount of (0.62) (formerly (\$0.47)) and the SMIRR \$3.29 (formerly \$3.34) determined by the model be allocated as per the Board direction. Following the Board’s guidelines of allocating on a cost causality basis and to apply over 10 months starting July 1, 2012 the resulting rate riders that are being applied for are:

Residential Meters - SMDR (\$1.64) and SMIRR \$3.54
GS < 50 kW Meters - SMDR \$7.40 and SMIRR \$7.14

As further explanation of the cost allocation methodology used to adhere to the Board instruction in the Decision and order, the starting point is the \$932,000 that was identified in filed materials as the collect amount from the Smart Meter Funding Adder for the Residential class. The 13,933 Residential meters are divided by the total 15,695 meters installed and the factor is multiplied by \$8,000 to re-allocate to the Residential class the portion of SMFA collected from the General Service > 50 kW customers. This results in a total of \$939,102 of SMFA that is to be returned to Residential customers. The total SMFA amount including interest of \$1,054,791 less the Residential portion results in a GS < 50 kW of \$115,689.

3. The Board Decision required that COLLUS provide a draft Tariff of Rates and Charges that includes the results of both EB-2011-0161(2012 IRM3 filing) and EB-2012-0017. Enclosed with this information filing is an updated attachment which is a copy of the draft tariff sheet. It has been updated to indicate an Implementation of approved May 1, 2012 SMDR and SMIRR for July 1, 2012. The latter date is the one allowed for in the Board decision. The updated information also includes an indication that EB-2012-0017 is one of the Application numbers that has resulted in these tariffs and rates. The draft tariff sheets are provided in both excel and word format for consideration.

COLLUS submits this information at the Board staff request and will await further notification from the Board before implementing the proposed rates. If there are any questions please contact the undersigned at your convenience.

Thank you,

T Fryer

Mr. T. (Tim) E. Fryer CMA
Chief Financial Officer
COLLUS Power Corp