



Hydro Hawkesbury Inc.  
850 Tupper Street  
Hawkesbury, ON  
K6A 3S7

July 16, 2012

Ms. Kirstin Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

**Re: Smart Meter Prudence Review EB-2012-0198**

Dear Ms. Walli:

In accordance with instructions released by the Ontario Energy Board please find enclosed HHI's Application for rate riders in respect to the disposition of Smart Meter costs including the methodology and OEB filing models.

An electronic copy of this Application has been filed on the OEB's RESS Filing System and two (2) hard copies are enclosed.

The Application is respectfully submitted for the Board's consideration for rates effective September 1, 2012. If there are any questions please do not hesitate to contact the undersigned at 613-632-6689.

Michel Poulin  
Manager



**Smart Meter Prudence Review  
Application  
EB-2012-0198**

**Rates Effective: September 1, 2012**

**Date Filed: July 16, 2012**

**Hydro Hawkesbury Inc.  
850 Tupper Street  
Hawkesbury, ON  
K6A 3S7**



File Number: EB-2012-0198

Date Filed: July 16, 2012

# **Exhibit 1**

## **ADMINISTRATION**



File Number: EB-2012-0198

Date Filed: July 16, 2012

## Exhibit 1

---

Tab 1 of 2

# Smart Meter Prudence Review





File Number: EB-2012-0198

Exhibit: 1  
 Tab: 1  
 Schedule: 1  
 Page: 1 of 2

Date Filed: July 16, 2012

## Table of Contents

Title	Exhibit	Tab	Schedule	Attachment	Number
Cover Letter	1				
Cover Sheet	1				
ADMINISTRATION	1				
Smart Meter Prudence Review	1	1			
Table of Contents	1	1	1		
Legal Application	1	1	2		
Statement of Publication	1	1	3		
Application Contact Information	1	1	4		
Manager's Summary	1	1	5		
Smart Meter Program Status	1	1	6		
TOU Billing	1	1	7		
Smart Meter Prudence Review	1	1	8		
Smart Meter Disposition Rider (SMDR)	1	1	9		
Smart Meter Incremental Revenue Requirement Rider (SMIRR)	1	1	10		
Stranded Meters	1	1	11		
Accounting Order	1	1	12		
Rate Change Summary	1	1	13		
Bill Impact - Residential	1	1	13	1	
Bill Impact - Residential	1	1	13	1	1
Bill Impact - General Service Less Than 50 kW	1	1	13	2	
Bill Impact - General Service Less Than 50 kW	1	1	13	2	1

Smart Meter Prudence Review  
 Hydro Hawkesbury Inc.  
 Application



File Number: EB-2012-0198

Exhibit: 1

Tab: 1

Schedule: 1

Page: 2 of 2

Date Filed: July 16, 2012

Title	Exhibit	Tab	Schedule	Attachment	Number
Conclusion	1	1	14		
Appendices	1	2			
Fairness Commision	1	2	1	1	
Fairness Commision	1	2	1	1	1
eCare eBilling	1	2	1	2	
eCare eBilling	1	2	1	2	1
Smart Meter Rate Model V2.17	1	2	1	3	
Smart Meter Rate Model V2.17	1	2	1	3	1

# Legal Application

**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 Hydro  
Hawkesbury Inc.

to the Ontario Energy Board for an Order or Orders  
approving rate riders for the recovery of Smart Meter costs  
as of September 1, 2012.

## APPLICATION

1. Hydro Hawkesbury Inc. ("HHI" or "the Applicant") is an electricity distributor as defined in the Ontario Energy Board Act, 1998 (the "Act"). HHI distributes electricity to approximately 5,500 customers in the town of Hawkesbury pursuant to a distribution license (EB-2003-0027) issued by the Ontario Energy Board (the "Board") and charges Board-authorized rates (EB-2011-0173) for the distribution service it provides.
2. The Applicant hereby applies to the Ontario Energy Board (the "OEB" or "the Board") pursuant to section 78 of the Ontario Energy Board Act, 1998, (the "OEB Act") for approval of Smart Meter rate riders to effect the recovery of its Smart Meter costs effective September 1, 2012.



Legal Application  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 2  
Page: 2 of 3

Date Filed: July 16, 2012

3. HHI hereby applies for an order or orders in accordance with G-2011-0001 Guideline, Smart Meter Funding and Cost Recovery – Final Disposition, December 15, 2011.

4. This Application is supported by written evidence that may be amended from time to time, prior to the Board's final decision on this Application.

5. The Applicant requests that, pursuant to Section 34.01 of the Board's Rules of Practice and Procedure, this proceeding be conducted by way of written hearing.

6. HHI has used the applicable Board-issued Excel models, such models having been subject to subsequent corrections and updates. The applicable model is:

- 2012 Smart Meter Model v2.17

7. HHI applies for Board approval for the following matters:

- a) Addition of a two year Smart Meter Disposition Rate Rider being a refund (credit) \$1.28 per metered Residential customer per month effective September 1, 2012, and effective until August 31, 2014 ; and
- b) Addition of a two year Smart Meter Disposition Rate Rider being a refund (credit) of \$ 1.25 per metered General Service less than 50 kW customer per month effective September 1, 2012, and effective until August 31, 2014 ; and
- c) Addition of a Smart Meter Incremental Revenue Requirement Rate Rider being a collection (debit) of \$1.38 per metered Residential customer



Legal Application  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 2  
Page: 3 of 3

Date Filed: July 16, 2012

per month effective September 1, 2012 and effective until August 31 of the test year of HHI's next cost of service rebasing application; and

- d) Addition of a Smart Meter Incremental Revenue Requirement Rate Rider being a collection (debit) of \$2.56 per metered General Service less than 50 kW customer per month effective September 1, 2012 and effective until August 31 of the test year of HHI's next cost of service rebasing application.

DATED at Hawkesbury, Ontario, this 16th day of July, 2012.

**All of which is respectfully submitted.**

**HYDRO HAWKESBURY INC.**

Michel Poulin  
General Manager



Statement of Publication  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 3  
Page: 1 of 1

Date Filed: July 16, 2012

# Statement of Publication

---

As the Board requires a notice to be published, HHI confirms that notices will be appearing in the following publication:

Le Carillon  
1100 Aberdeen  
Hawkesbury, Ontario  
K6A 1K7

HHI confirms it is a weekly publication that goes out free to all households. Furthermore, bilingual publication is available in this newspaper.



Application Contact Information  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 4  
Page: 1 of 1

Date Filed: July 16, 2012

# Application Contact Information

---

## **IRM contact information**

Michel Poulin

Manager

Hydro Hawkesbury Inc.

613-632-6689

[michelpoulin@hydrohawkesbury.ca](mailto:michelpoulin@hydrohawkesbury.ca)

Linda Parisien

Assistant Manager & CFO

Hydro Hawkesbury Inc.

613-632-6689

[lindaparisien@hydrohawkesbury.ca](mailto:lindaparisien@hydrohawkesbury.ca)



## Manager's Summary

HHI is submitting this stand-alone application for the recovery of the costs the utility incurred in implementing its Smart Meter Program. Since HHI has now essentially reached the 100% threshold of the audited cost for its program, and since its next cost of service rate application is not scheduled until 2014, the utility considered it appropriate to file for a 2012 stand-alone disposition.

As of end of 2011, HHI had installed all of its Smart Meters. The total smart meter cost claimed in this application is \$660 k as indicated below.

**Summary of Cost Claim**

Total Smart Meter Capital Costs	\$	645,539
Total Smart Meter OM&A Costs	\$	14,900
Total Smart Meter Costs	\$	660,439

The incurred smart meter costs are partially offset (to April 30, 2012) by the Smart Meter Funding Adder – including simple interest – in the amount of \$316 k. The resulting rate riders and adders being sought are presented below.

**Summary of Rate Riders**

Rate Adders and Riders	RES	GSLT50
Smart Meter Disposition Rate Rider (SMDR)	(\$1.28)	(\$1.25)
Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)	\$1.38	\$2.56
<b>Total Smart Meter Rate Change</b>	<b>\$0.10</b>	<b>\$1.31</b>





1  
2 All costs incurred in completing HHI's Smart Meter Program have been prudently  
3 incurred as is evidenced by a per meter capital cost of \$119.97 which compares  
4 favourably to the sector average capital cost of \$186.76 derived from the "Sector  
5 Smart Meter Audit Report" issued by the OEB Regulatory Audit and Accounting  
6 Group. No cost associated with stranded meters has been included in the  
7 application.

Smart Meters Installed	2006	2007	2008	2009	2010	2011	2012	Total
Residential	0	0	0	1,489	3,314	0	0	4,803
GS Less Than 50 kW	0	0	0	0	171	407	0	578
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,489</b>	<b>3,485</b>	<b>407</b>	<b>0</b>	<b>5,381</b>
<b>% Installed</b>				<b>27.7%</b>	<b>64.8%</b>	<b>7.6%</b>	<b>0.0%</b>	<b>100.0%</b>

	2006	2007	2008	2009	2010	2011	2012	Total
<b>Capital Costs</b>								
Smart Meter	\$ -	\$ -	\$ -	\$ 181,681	\$ 305,371	\$ 114,765	\$ -	\$ 601,816
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,520	\$ -	\$ 10,520
Tools & Equipment	\$ -	\$ -	\$ -	\$ 272	\$ 1,443	\$ 459	\$ -	\$ 2,173
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Applications Software	\$ -	\$ -	\$ -	\$ -	\$ 1,030	\$ 30,000	\$ -	\$ 31,030
<b>Total Capital Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 181,952</b>	<b>\$ 307,843</b>	<b>\$ 155,743</b>	<b>\$ -</b>	<b>\$ 645,539</b>
<b>Capital Cost per meter</b>								<b>\$ 119.97</b>

	2006	2007	2008	2009	2010	2011	2012	Total
<b>OM&amp;A Costs</b>								
Smart Meter	\$ -	\$ -	\$ -	\$ -	\$ 5,243	\$ 3,700	\$ 5,958	\$ 14,900
<b>Total OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,243</b>	<b>\$ 3,700</b>	<b>\$ 5,958</b>	<b>\$ 14,900</b>
<b>OM&amp;A Costs per meter</b>								<b>\$ 2.77</b>



## Smart Meter Program Status

---

HHI filed with the OEB a Smart Metering Investment Plan (SMIP) outlining the timeline and expected costs to implement smart metering across its current and future customer base.

In 2007, London Hydro led a consortium of 21 LDCs ("London RFP") that released a proposal to solicit pricing and features for a comprehensive Advanced Metering Infrastructure ("AMI"). They relied on a letter issued on July 25, 2007 by the Minister of Energy, Dwight Duncan, stating.

"After a successful RFQ, the government will continue to work with London Hydro and consortium members to enable the rollout of smart metering in your respective service territories."

HHI participated with the other LDCs within the London RFP to implement smart meters in a cost effective manner. The collaborative initiative assisted LDCs in the development of project plans, RFPs and contract.

Following successful completion of the RFQ process, the Ministry recommended an amendment to Ontario Regulation 427/08 (Smart Meters: Discretionary Metering Activity and Procurement Principles) to Cabinet. The amendments



1 authorized distributors participating in the London RFQ process to engage in  
2 discretionary metering activities.

3  
4 HHI, via the Fairness Commissioner, monitored the London Hydro Smart Metering  
5 Consortium RFP process, and selected Elster as its metering vendor.

6  
7 HHI contracted with Utilismart and eCaliber (ERTH) to manage the various smart  
8 meter related procurements, develop the overall project plan, the automated  
9 metering infrastructure ("AMI") system was meeting the provincial standard, to  
10 integrate the AMI data with the meter data management repository ("MDM/R"),  
11 to reconcile the meter data sent to the MDM/R matched the data received back to  
12 the utility, and finally to automate business processes so as to avoid increasing  
13 staffing in the Billing Department and to monitor and guide the project through to  
14 time-of-use ("TOU") bill production.

15  
16 HHI began installing smart meters in 2009 for its Residential customers. Full  
17 deployment was reached in August 2011 with the completion of all GS<50kW  
18 customers.

19  
20 In an effort to meet its mandated TOU implementation deadline, the installation of  
21 smart meters was given very high priority by HHI.

22 The Table below shows the actual number of smart meters installed per year.  
23



Smart Meter Program Status  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 6  
Page: 3 of 3

Date Filed: July 16, 2012

1

### Installation of Smart Meters

Smart Meters Installed	2006	2007	2008	2009	2010	2011	2012	Total
Residential	0	0	0	1,489	3,314	0	0	4,803
GS Less Than 50 kW	0	0	0	0	171	407	0	578
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,489</b>	<b>3,485</b>	<b>407</b>	<b>0</b>	<b>5,381</b>
<b>% Installed</b>				<b>27.7%</b>	<b>64.8%</b>	<b>7.6%</b>	<b>0.0%</b>	<b>100.0%</b>

2  
3

4



TOU Billing  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 7  
Page: 1 of 1

Date Filed: July 16, 2012

## TOU Billing

---

HHI has realized all customer awareness and TOU billing expenses in 2011. So no forecast figures are required except for funding for web presentment. This cost would be considered outside of the minimum functionality as specified in Ont. Reg. 425/06. In order to provide maximum customer support for the Province's TOU initiative, HHI believes that web presentment of TOU meter readings is critical. Smart meters are a conservation tool and customers understand this and are demanding access to the meter readings.



# Smart Meter Prudence Review

HHI's audited Smart meter cost as of December 2011 identified in table A below.

As of end of April 2012, HHI deployment of Smart Meters is complete. The total smart meter cost claimed in this application is \$ 660,439 (See Table A below.)

Table A

	2011 audited	2012 forecast	total costs
Total Smart Meter Capital Costs	\$645,539		\$645,539
Total Smart Meter OM&A Costs	\$8,943	\$958	\$9,900
OM&A Cost related to Beyond Minimum Functionality ( web presentment)		\$5,000	\$5,000
Total Smart Meter Costs	\$654,482	\$5,958	\$660,439

Since this is a stand-alone application then, consistent with the Guideline, no claim is made for stranded meters. HHI will claim for its stranded meters in its next cost of service application scheduled for 2014.



1

Class	Type of Meter	Quantity	Meter Cost	Average Meter Cost	Installation Cost	Average Installation Cost	Total Average Cost
Residential	Elster	4,803	\$ 444,335.42	\$ 92.51	\$ 11,008.92	\$ 2.29	\$ 94.80
GS<50 kW	Elster	578	\$ 102,765.64	\$ 177.80	\$ 1,324.83	\$ 2.29	\$ 180.09

2

3

4 HHI submits that the selection of the Residential and commercial meters was  
5 eminently reasonable, prudent and a sound business decision that minimized the  
6 cost for all its customers.

7



# Smart Meter Disposition Rider (SMDR)

HHI has elected to allocate the SMDR using cost causality methodology and calculating class specific rates. HHI has adopted the Guelph Hydro's draft Rate Order filing allocation methodology model to support this calculation.

The following is extracted from our appended sheet "SMDR Cost Allocation" included in the OEB Smart Meter Model filed with the application.

	2009	2010	2011	Total 2009 to 2011	Explanation Allocator	ID and Factors	Total	Residential	General Service Less than 50 kW
Revenue Requirement for the Historical Years	\$13,478.54	\$53,383.98	\$83,932.34	\$150,794.86					
Total Return on Capital	\$6,543.50	\$24,028.73	\$39,073.11	\$69,645.35	Smart Meter - Capital		100.00%	81.22%	18.78%
				Allocated per Class			\$69,645.35	\$56,563.40	\$13,081.95
Amortization	\$6,104.13	\$22,652.35	\$41,571.52	\$70,328.01	Smart Meter - Capital		100.00%	81.22%	18.78%
				Allocated per Class			\$70,328.01	\$57,117.83	\$13,210.18
Operating Expenses	\$0.00	\$5,242.83	\$3,699.79	\$8,942.62	Number of Smart Meters Installed for each Class		5,381	4,803	578
				Allocated per Class			\$8,942.62	\$7,982.05	\$960.57
Grossed-up Taxes/PILs	\$830.92	\$1,460.06	-\$412.09	\$1,878.89	Revenue Requirement allocated to each Class before PILs		\$148,915.97	\$121,663.27	\$27,252.70
				Allocated per Class			\$1,878.89	\$1,535.04	\$343.85
							Total	Residential	General Service Less than 50 kW
TOTAL REVENUE REQUIREMENT				\$150,794.86			\$150,794.86	\$123,198.31	\$27,596.55
					Percentage of costs allocated to Residential and GS < 50 kW customer classes		100.00%	81.70%	18.30%
Revenue Generated from Smart Meter Funding Adder				\$315,720.75					
Revenues Generated from SMFA				\$315,720.75				\$ 270,730.38	\$ 44,990.37
Net Deferred Revenue Requirement				-\$164,925.89					
				Allocated per Class			-\$164,925.89	-\$147,532.06	-\$17,393.82
				Number of Metered Customers	(2012)			4,803	578
				Smart Meter Disposition Rate Rider				-\$1.28	-\$1.25

HHI is applying for Board approval for the following matters:

- a) Addition of a two year Smart Meter Disposition Rate Rider being a refund (credit) \$1.28 per metered Residential customer per month effective September 1, 2012, and effective until August 31, 2014 ; and





Smart Meter Disposition Rider

File Number: EB-2012-0198

Exhibit: 1

Tab: 1

Schedule: 9

Page: 2 of 2

Date Filed: July 16, 2012

- 1 • b) Addition of a two year Smart Meter Disposition Rate Rider being a refund (credit) of \$
- 2 1.25 per metered General Service less than 50 kW customer per month effective
- 3 September 1, 2012, and effective until August 31, 2014 ; and



# Smart Meter Incremental Revenue Requirement Rider (SMIRR)

HHI has elected to allocate the SMIRR using cost causality methodology and calculating class specific rates. HHI has adopted the Guelph Hydro's draft Rate Order filing allocation methodology model to support this calculation.

The following is extracted from our appended sheet "SMIRR Cost Allocation" included in the OEB Smart Meter Model filed with the application.

	2012	Total 2012	Explanation Allocator	ID and Factors	Total	Residential	General Service Less than 50 kW
Revenue Requirement for the Historical Years	\$97,052.28	\$97,052.28					
Total Return on Capital	\$41,594.71	\$41,594.71	Smart Meter - Capital	CWMC	100.00%	81.22%	18.78%
		Allocated per Class			\$41,594.71	\$33,781.70	\$7,813.01
Amortization	\$48,648.29	\$48,648.29	Smart Meter - Capital	CWMC	100.00%	81.22%	18.78%
		Allocated per Class			\$48,648.29	\$39,510.36	\$9,137.93
Operating Expenses	\$5,957.52	\$5,957.52	Number of Smart Meters Installed for each Class		5,381	4,803	578
		Allocated per Class			\$5,957.52	\$5,317.59	\$639.93
Grossed-up Taxes/PILs	\$851.75	\$851.75	Revenue Requirement allocated to each Class before PILs		\$96,200.52	\$78,609.65	\$17,590.87
		Allocated per Class			\$851.75	\$696.00	\$155.75
					<b>Total</b>	<b>Residential</b>	<b>General Service Less than 50 kW</b>
TOTAL REVENUE REQUIREMENT		\$97,052.28			\$97,052.28	\$79,305.66	\$17,746.62
			Percentage of costs allocated to Residential and GS < 50 kW customer classes		100.00%	81.71%	18.29%
			Number of Metered Customers (2012)			4,803	578
			Smart Meter Disposition Rate Rider			\$1.38	\$2.56

HHI is applying for Board approval for the following matters:



## Smart Meter Incremental Revenue

File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 10  
Page: 2 of 2

Date Filed: July 16, 2012

- 1 • a) Addition of a Smart Meter Incremental Revenue Requirement Rate Rider being a  
2 collection (debit) of \$1.38 per metered Residential customer per month effective September 1,  
3 2012 and effective until August 31 of the test year of HHI's next cost of service rebasing  
4 application; and
- 5 • b) Addition of a Smart Meter Incremental Revenue Requirement Rate Rider being a  
6 collection (debit) of \$2.56 per metered General Service less than 50 kW customer per month  
7 effective September 1, 2012 and effective until August 31 of the test year of HHI's next cost of  
8 service rebasing application.



Stranded Meters  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 11  
Page: 1 of 1

Date Filed: July 16, 2012

## Stranded Meters

HHI is not seeking disposition of its stranded meter costs at this time. HHI continues to recover these costs by including the net book value of stranded meters in its rate base for rate-making purposes. At its next cost of service application, HHI plans to request disposition of the stranded meter amount.

The following is an estimate of the 2014 net book value for HHI's stranded meters.

1860 - Meters	
Gross Book Value - Dec 31, 2011	246,912.13
Accumulated Depreciation - Dec 31, 2011	(171,379.13)
Net Book Value - Dec 31, 2011	75,533.00
Depreciation - 2012	(12,438.00)
Depreciation - 2013	(8,738.00)
Estimated Net Book Value - Dec 31, 2013	54,357.00
Estimated Salvage Value	NIL



Accounting Order  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 12  
Page: 1 of 3

Date Filed: July 16, 2012

# Accounting Order

For purpose of this application HHI hereby makes the following request for accounting orders:

## TRANSFER GROSS SMART METER ASSETS

- to transfer the balance of gross assets recorded in USoA accounts 1555-Smart Meter Capital and Recovery Offset Variance Account as at December 31, 2011 to the appropriate fixed asset accounts.

Transfer Gross Smart Meter Costs @ December 31, 2011	Dr	Cr
1860-Meters	\$ 601,816	
1925-Computer Software	\$ 41,549	
1940-Tools, Shop and Garage Equipment	\$ 2,173	
1555-Smart Meter Capital and Recovery Offset Variance Account - (sub ledger - Capital Costs)		\$ 645,539

## RECORD ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE

- to record accumulated depreciation and offsetting depreciation expense related to the disposition of smart meters as at December 31, 2011.

Record Accumulated Depreciation @ December 31, 2011	Dr	Cr
5705-Depreciation Expense – Property, Plant, and Equipment	\$ 69,311	
2105-Accumulated Depreciation of Electric Utility Plant		\$ 69,311



Accounting Order  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 12  
Page: 2 of 3

Date Filed: July 16, 2012

## TRANSFER OM&A EXPENSE

- to clear the balances in USoA accounts 1556-Smart Meter OM&A Variance Account related to the disposition of smart meters as at December 31, 2011.

Transfer OM&A Expense @ December 31, 2011		Dr	Cr
5065-Meter Expense		\$ 8,943	
1556-Smart Meter OM&A Variance Account			\$ 8,943

- to clear the balances in USoA accounts 1556-Smart Meter OM&A Variance Account related to the disposition of smart meters as at April 30, 2012.

Transfer OM&A Expense @ April 30, 2012		Dr	Cr
5065-Meter Expense		\$ 958	
1556-Smart Meter OM&A Variance Account			\$ 958

## RECORD THE SMDR RECOVERY

- HHI will record the SMDR recovery as an offset to account 1595-Disposition and Recovery/Refund of Regulatory Balances Control Account sub-ledger SMDR

Debit/Credit - 1595-Disposition and Recovery/Refund of Regulatory Balances Control Account sub-ledger SMDR

Credit/Debit - 1100-Customer Accounts Receivable

- HHI will record simple interest against the opening monthly balances in USoA account 6035-Other Interest Expense.

Debit/Credit - 1595-Disposition and Recovery/Refund of Regulatory Balances Control Account sub-ledger SMDR



Accounting Order  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 12  
Page: 3 of 3

Date Filed: July 16, 2012

Credit/Debit - 6035-Other Interest Expense

Simple interest will be computed monthly on the opening balance in account 1595-  
Disposition and Recovery/Refund of Regulatory Balances Control Account sub-ledger  
SMDR in accordance with the methodology approved by the Board.

## RECORD THE SMIRR RECOVERY

- HHI will record the SMIRR recovery as an offset to account 1595-Disposition and Recovery/Refund of Regulatory Balances Control Account sub-ledger SMIRR

Debit/Credit - 1595-Disposition and Recovery/Refund of Regulatory Balances Control  
Account sub-ledger SMIRR

Credit/Debit - 1100-Customer Accounts Receivable

- HHI will record simple interest against the opening monthly balances in USoA account 6035-Other Interest Expense.

Debit/Credit - 1595-Disposition and Recovery/Refund of Regulatory Balances Control  
Account sub-ledger SMIRR

Credit/Debit - 6035-Other Interest Expense

Simple interest will be computed monthly on the opening balance in account 1595-  
Disposition and Recovery/Refund of Regulatory Balances Control Account sub-ledger  
SMDR in accordance with the methodology approved by the Board.

Note: this request does not include the disposition of 1555-Smart Meter Capital and Recovery  
Offset Variance Account, Sub-accounts Stranded Meter Costs which will be deferred until HHI's  
next cost of service rebasing application.



# Rate Change Summary

The table below shows the nominal rate change HHI is seeking approval for in this application.

**Summary of Rate Riders**

Rate Adders and Riders	RES	GSLT50
Smart Meter Disposition Rate Rider (SMDR)	(\$1.28)	(\$1.25)
Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)	\$1.38	\$2.56
<b>Total Smart Meter Rate Change</b>	<b>\$0.10</b>	<b>\$1.31</b>

Based on the following Bill Impact calculation sheets HHI has determined the following bill impact:

Rate Class	Delivery \$	Delivery %	Total Bill \$	Total Bill %
Residential	\$ 0.10	0.09%	\$ 0.11	0.08%
GS Less Than 50 kW	\$ 1.31	0.52%	\$ 1.48	0.41%





File Number:EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 13

Date Filed: July 16, 2012

## Attachment 1 of 2

### Bill Impact - Residential

BILL IMPACT RESIDENTIAL CUSTOMERS							
Consumption	800	kWh	Loss 1.0446	Energy adjusted	836 kWh	33% IN EACH VOLUME SECTION	
Residential	Volume	Rate (\$)	Charge (\$)	Proposed SM riders	proposed SM charges	CHANGE	% of Total Bill
Energy Off-Peak	278.6666667	0.065	\$ 18.11		18.11	0.00	13.67%
Energy Mid-peak	278.6666667	0.1	\$ 27.87		27.87	0.00	21.03%
Energy On-Peak	278.6666667	0.117	\$ 32.60		32.60	0.00	24.60%
TOTAL ENERGY			\$ 78.58		78.58	0.00	59%
Service Charge	1	5.95	\$ 5.95		5.95	0.00	4.49%
SMART METER DISPOSITION RIDER (SMDR) PER METERED CUSTOMER	1	0.00	\$ -	(1.28)	(1.28)	(1.28)	(0.97)%
SMART METER INCREMENTAL REVENUE RR (SMIRR) PER METERED CUSTOMER	1	0.00	\$ -	1.38	1.38	1.38	1.04%
Distribution Volumetric Rate	800	0.0080	\$ 6.39		6.39	0.00	4.82%
Low Voltage Volumetric Rate	800	0.0004	\$ 0.32		0.32	0.00	0.24%
D & V (2011)	800	(0.0019)	-\$ 1.52		(1.52)	0.00	(1.15)%
D & V (2012)	800	0.0008	\$ 0.64		0.64	0.00	0.48%
RR GA ( 2011)	800	0.0061	\$ 4.88		4.88	0.00	3.68%
RR GA ( 2012)	800	0.0005	\$ 0.40		0.40	0.00	0.30%
LRAM	800	0.0006	\$ 0.48		0.48	0.00	0.36%
ICM	800	0.0024	\$ 1.92		1.92	0.00	1.45%
Total: Distribution			19.46		19.56	0.10	15%
Retail Transmission Rate – Network Service Rate	835.68	0.0065	5.43		5.43	0.00	4.10%
Retail Transmission Rate – Line and Transformation Connection Service Rate	835.68	0.0031	2.59		2.59	0.00	1.95%
Total: Retail Transmission			8.02		8.02	0.00	6.05%
Sub-Total: Delivery (Distribution and Retail Transmission)			106.07		106.16	0.10	80.11%
Wholesale Market Service Rate	835.68	0.0052	4.35		4.35	0.00	3.28%
Rural Rate Protection Charge	835.68	0.0011	0.92		0.92	0.00	0.69%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25		0.25	0.00	0.19%
Sub-Total: Regulatory			5.51		5.51	0.00	4.16%
Debt Retirement Charge (DRC)	800.00	0.0070	5.60		5.60	0.00	4.23%
Total Bill before Taxes			117.18		117.28	0.10	88.50%
HST		13%	15.23		15.25	0.01	11.50%
Total Bill			132.41		132.52	0.11	100.00%



File Number:EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 13

Date Filed: July 16, 2012

## Attachment 2 of 2

### Bill Impact - General Service Less Than 50 kW

BILL IMPACT GENERAL <50KW							
Consumption	2,000 kWh	Loss 1.0446	Energy adjusted 2089 kWh 33% IN EACH VOLUME SECTION				
Residential	Volume	Rate (\$)	Charge (\$)	Proposed SM riders	proposed SM charges	CHANGE	% of Total Bill
Energy Off-Peak	696.33	0.065	\$ 45.26		\$ 45.26	0.00	14.16%
Energy Mid-peak	696.33	0.1	\$ 69.63		\$ 69.63	0.00	21.79%
Energy On-Peak	696.33	0.117	\$ 81.47		\$ 81.47	0.00	25.49%
TOTAL ENERGY			\$ 196.37		\$ 196.37	\$ -	61.44%
Service Charge	1	13.75	\$ 13.75		13.75	0.00	4.30%
SMART METER DISPOSITION RIDER (SMDR) PER METERED CUSTOMER	1	0.00	\$ -	(1.25)	(1.25)	(1.25)	(0.39)%
SMART METER INCREMENTAL REVENUE RR (SMIRR) PER METERED CUSTOMER	1	0.00	\$ -	2.56	2.56	2.56	0.80%
Distribution Volumetric Rate	2,000	0.0055	\$ 11.00		11.00	0.00	3.44%
Low Voltage Volumetric Rate	2,000	0.0004	\$ 0.80		0.80	0.00	0.25%
D & V (2011)	2,000	(0.0019)	-\$ 3.81		(3.81)	0.00	(1.19)%
D & V (2012)	2,000	0.0008	\$ 1.60		1.60	0.00	0.50%
RR GA ( 2011)	2,000	0.0061	\$ 12.20		12.20	0.00	3.82%
RR GA ( 2012)	2,000	0.0005	\$ 1.00		1.00	0.00	0.31%
ICM	2,000	0.0017	\$ 3.40		3.40	0.00	1.06%
Total: Distribution			39.94		41.25	1.31	12.91%
Retail Transmission Rate – Network Service Rate	2,089.00	0.0059	12.33		12.33	0.00	3.86%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,089.00	0.0027	5.64		5.64	0.00	1.76%
Total: Retail Transmission			17.97		17.97	0.00	5.62%
Sub-Total: Delivery (Distribution and Retail Transmission)			254.27		255.58	1.31	79.97%
Wholesale Market Service Rate	2,089.00	0.0052	10.86		10.86	0.00	3.40%
Rural Rate Protection Charge	2,089.00	0.0011	2.30		2.30	0.00	0.72%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25		0.25	0.00	0.08%
Sub-Total: Regulatory			13.41		13.41	0.00	4.20%
Debt Retirement Charge (DRC)	2,000.00	0.0070	14.00		14.00	0.00	4.38%
Total Bill before Taxes			281.69		283.00	1.31	88.54%
HST		13%	36.62		36.62	0.17	11.46%
Total Bill			318.30		319.61	1.48	100.00%



Conclusion  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 14  
Page: 1 of 2

Date Filed: July 16, 2012

## Conclusion

---

HHI respectfully submits that the costs necessary to fulfill its obligations under the provincially mandated Smart Meter initiative have been prudently incurred in accordance with Board guidelines and that the proposed rate riders are just and reasonable.



Conclusion  
File Number: EB-2012-0198

Exhibit: 1  
Tab: 1  
Schedule: 14  
Page: 2 of 2

Date Filed: July 16, 2012



File Number: EB-2012-0198

Date Filed: July 16, 2012

## Exhibit 1

---

Tab 2 of 2

Appendices



File Number: EB-2012-0198

Exhibit: 1

Tab: 2

Schedule: 1

Date Filed: July 16, 2012

## Appendix 1 of 3

## Fairness Commision





# PRP International, Inc.

## *Fairness Advisory Services*

May 30, 2008

Mr. Michel Poulin  
Manager  
Hydro Hawkesbury Inc.  
850 Tupper Street,  
Hawkesbury, ON K6A 3S7

Dear Mr. Poulin:

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

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

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

- Silver Spring Networks, as the recommended Preferred Proponent, based on its highest ranking, and*
- Elster Metering being the second ranked Proponent.*

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

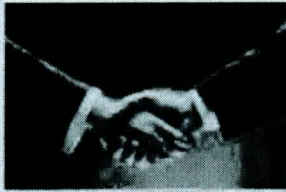
A detailed report for your records will be submitted to you, by August 31, 2008. Should you have any questions or require clarification of any matter contained in this letter report, please contact the undersigned.

Yours truly,

Peter Sorensen  
President  
cc: Mr. Gary Rains, RFP Project Director

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





# PRP International, Inc.

## *Fairness Advisory Services*

April 29, 2009

Hydro Hawkesbury Inc.  
850 Tupper Street  
Hawkesbury, Ontario K6A 3S7

Attention: Michel Poulin, Manager

Dear Mr. Poulin:


Subject: Attestation Letter (Negotiations) of the Fairness Commissioner  
Hydro Hawkesbury - Elster Metering Contract Award  
Advanced Metering Infrastructure RFP, August 2007  
London Hydro & Consortium of LDCs Smartmetering Project

PRP International, Inc. is pleased to submit its Attestation Letter (Negotiations) of the Fairness Commissioner for the noted negotiations and contracting phase of the London Hydro AMI Request for Proposal (RFP) procurement. This judgment is being provided for the information and use of Hydro Hawkesbury Inc., in its administration of the contract awarded to its #2 ranked Proponent, Elster Metering following unsuccessful negotiations with its #1 ranked Proponent, Silver Spring Networks.

*"It is the judgment of PRP International, Inc. (as the Fairness Commissioner engaged by Hydro Hawkesbury for the phase of negotiations and contract award) that the successful conclusion of negotiations and contract award to Elster Metering, was undertaken in accordance with the principles for such negotiations and contract award set out in the RFP, issued August 14, 2007 and the Fairness Protocol, issued August 2008."*

A backgrounder and summary of the Fairness Protocol is attached and forms part of this Attestation Letter (Negotiations).

Yours truly,



Peter Sorensen  
President

Attachment: Negotiations and Contract Phase Backgrounder

203 - 8 Queen Street, Summerside, PEI C1N 0A6  
Direct telephone: 902.436.3930 Fax: 604-677-5409  
Email: [fairness@telus.net](mailto:fairness@telus.net)



## **BACKGROUNDER TO FAIRNESS CONFIRMATION / ATTESTATION**

### **Advanced Metering Infrastructure Procurement**

#### **TO WHOM IT MAY CONCERN:**

##### **Background:**

- A Request for Proposal procurement transaction was conducted by London Hydro Inc., as the lead sponsoring Local Distribution Company (LDC) and with a consortia of another 63 LDCs, during the period August 2007 to July, 2008;
- The evaluation and selection phase of the RFP provided for the determination of the #1 and #2 ranked Proponents for each LDC;
- RFP Provision 7.5.14<sup>1</sup> provides the framework (principle) for negotiations and contracting based on the principle of "first right to negotiation and execution of a contract" being accorded to the ranked order of Proponents commencing with the highest ranked Proponent and proceeding in a consecutive order thereafter; and
- Each LDC was provided the evaluation results for their #1 and #2 ranked Proponents supported by the Attestation Letter of the Fairness Commissioner as to those rankings.

##### **Fairness Coverage Objective:**

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

---

##### **7.5.14 Final Contract Negotiations**

Any conditions and provisions that a bidder seeks shall be a part of this proposal. Notwithstanding, nothing herein shall be interpreted to prohibit London Hydro from introducing<sup>2</sup> or modifying<sup>2</sup> contract terms and conditions during negotiation of the final contract.

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



## **BACKGROUNDER TO FAIRNESS CONFIRMATION / ATTESTATION**

### **Advanced Metering Infrastructure Procurement**

#### **Fairness Protocols:**

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

#### **Form of Fairness Confirmation / Attestation<sup>2</sup>:**

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

#### **Local Distribution Company:**

##### **Hydro Hawkesbury Inc.**

850 Tupper Street  
Hawkesbury, Ontario K6A 3S7

Attention: Michel Poulin, Manager

---

<sup>2</sup> Conditions on the rendering of this Confirmation/Attestation.

- The two Negotiations Agenda were provided by HHI via Ottawa River Power;
- Fairness Commissioner undertook no direct participation or oversight in the negotiations between HHI and either of their #1 or #2 ranked Proponents;
- The successful contract award was based on the HHI criteria and no independent analysis nor any comparison with the evaluation results of the RFP process was carried out by the Fairness Commissioner; and
- The confirmation of the Fairness Commissioner was based on the progress report(s) provided by HHI via Ottawa River Power.





File Number: EB-2012-0198

Exhibit: 1

Tab: 2

Schedule: 1

Date Filed: July 16, 2012

## Appendix 2 of 3

### eCare eBilling

# **PROPOSAL**

**eBilling / Base eCARE Solution**

**for**

**Hydro Hawkesbury**

ERTH



BUSINESS TECHNOLOGIES INC.

Prepared By: Andy Molnar  
Date: May 2, 2011  
ERTH- 005EC



**Michel Poulin**  
**Hydro Hawkesbury**  
**850 Tupper St,**  
**Hawkesbury, Ontario**  
**Canada, K6A 3S7**

Dear Michel:

As per our conversation, please find the attached proposal for the eBilling and the base model eCARE solution.

With this solution we have been able to reduce the costs of the overall solution for Hydro Hawkesbury. Currently the ability to separate eBilling from the eCare module not available so in an effort to reduce costs, we are recommending the base model eCare solution which has fewer features and is therefore less costly than the DSM version of eCARE but will provide you with the eBilling functionality you require. In the future, you will be able to upgrade to the eCARE DSM version.

If you have any questions or concerns, feel free to contact us at any time.

Regards,

A handwritten signature in black ink, appearing to read 'Andrew Molnar'.

Andrew Molnar  
Manager Sales  
ERTH Corp  
(519) 521 - 0895  
amolnar@erthcorp.com





## **eCARE Overview:**

### **eCARE - Customer Web Portal**

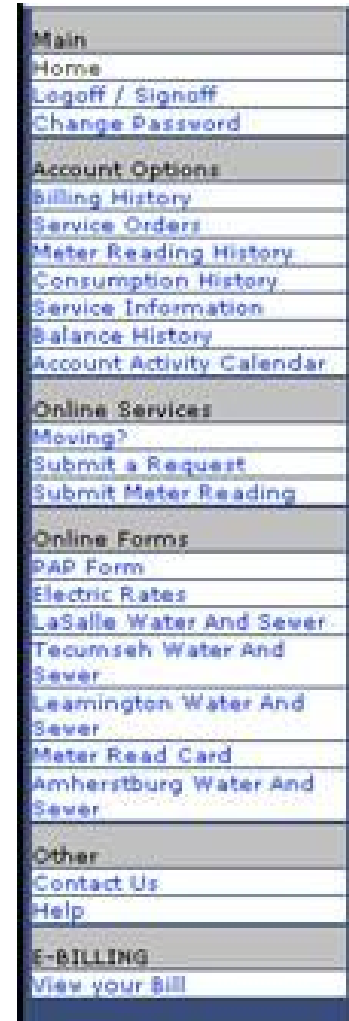
eCARE is a customer facing web presentment portal which is interfaced with the Harris Northstar CARE module. eCARE provides your customers with access to the information they require any time of the day or night. Among some of the features, customers can look up their consumption history, log a service call and review their billing history.

NorthStar's eCARE is a communication solution. eCARE provides real-time access to account information 24 hours a day, seven days a week.

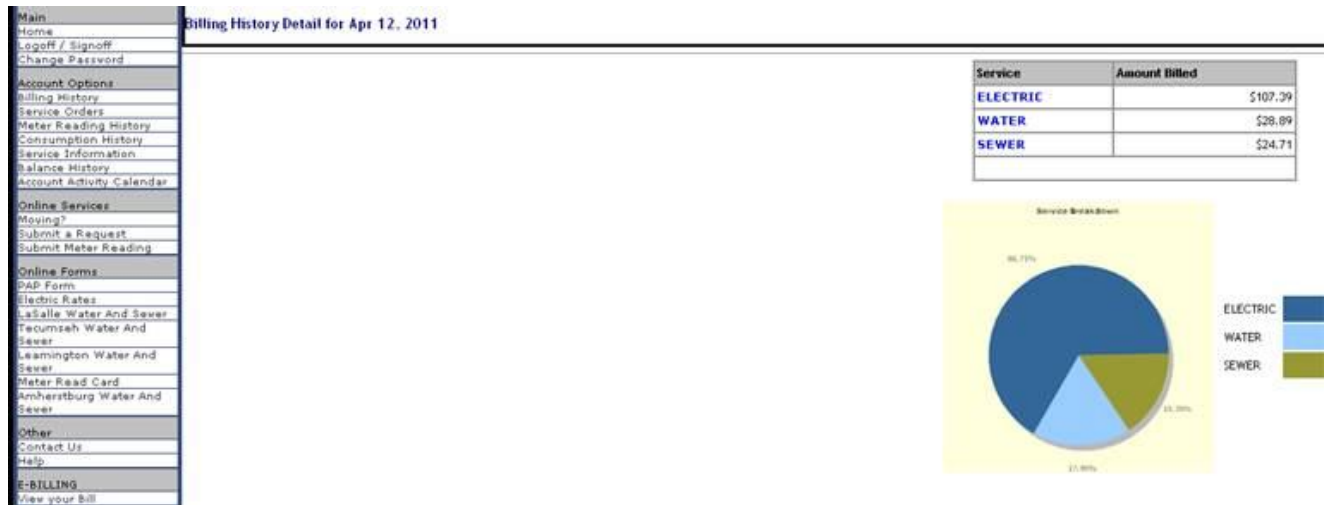
eCARE is seamlessly integrated with NorthStar. Capturing and transferring incoming data from your web site to NorthStar is a simple and efficient process. Through eCARE's WEB Manager, calls and service orders are reviewed for accuracy then transferred directly into NorthStar, either one at a time or all at once.

### **eCARE Features**

- View consumption, demand and payment history
- Create and view service order history and status
- Access up to eighteen months of bill history
- View up to two years of meter reading history
- Access to usage history
- Pay any bill online
- Submit move requests and meter reads
- Change password/PIN







## Bill and Payment History

eCARE provides storage and availability for up to eighteen months of bill history, which can be viewed in detail or printed, almost eliminating the need to print and mail missing bill information to customers.

## Consumption Information

eCARE provides the ability to view consumption information for individual services (water, gas, electric, etc)

## Meter Reading

Customers can submit meter reading information via eCARE; however, only if they are within a specific period for an expected meter read.

## eCARE Security

Customers require an account and PIN number to access eCARE. PIN numbers are randomly generated by NorthStar, or given out by customer service. Once customers have logged in, they can change the PIN number to one of their choice. Access to eCARE is limited to users that have a valid ID and password. eCARE and NorthStar are separate applications on separate servers. NorthStar runs on its own designated server and eCARE runs on the customer's WEB server. NorthStar has designed eCARE to separate WEB inquiries from mission critical data. When a customer accesses eCARE, they do not directly access NorthStar.

Although not required, 128-bit encryption is highly recommend for the eCARE application. An SSL certificate will be installed on the web server and is included in the hosting by ECALIBER.



## Overview

This solution leverages the internet connection established in most residential communities, providing the customer with the ability to learn, educate and ultimately change their electricity pattern. The eCARE site educates Internally, Customer Service Reps can easily pull up an electronic replica of the actual customers invoice when talking to customers.

Other benefits and integrated services available to Hydro Hawkesbury as a result of implementing eCARE include:

- Complete functionality to allow eBilling
- Integration with Loris document archiving
- Hydro Hawkesbury Customer service representatives will be able to view an exact replica of the customer bills
- Allow the customer access to a large amount of data to monitor and change usage habits and fits with Ontario conservation initiatives
- Ability to display all bill inserts to the customer via the eCARE portal
- Functionality to add customer notices like new rates, inserts, PAP forms or any documentation around new programs like peak saver, refrigerator roundup, etc.

## Bill Archival and eBilling Overview:


With eBilling, all bills are electronically archived through Loris as an exact copy of the bill at the time it was generated. Customers signed up for eBilling will automatically receive notification via e-mail that their invoice is ready for viewing. Using their secure eCARE login, customers will extract a PDF version of their invoice, thus eliminating the need to generate a paper bill and send it in the mail. The electronic bills are accessible at any time to the customer through the eCARE portal. As well, customer service reps can access an exact replica of any customer's invoice, regardless of whether they are signed up for eBilling, through the CARE menu option

[Main](#)  
[Home](#)  
[Logout / Signoff](#)  
[Change Password](#)  
[Account Options](#)  
[Billing History](#)  
[Service Orders](#)  
[Meter Reading History](#)  
[Consumption History](#)  
[Service Information](#)  
[Balance History](#)  
[Account Activity Calendar](#)  
[Online Services](#)  
[Moving?](#)  
[Submit a Request](#)  
[Submit Meter Reading](#)  
[Online Forms](#)  
[PAP Form](#)  
[Electric Rates](#)  
[LaSalle Water And Sewer](#)  
[Tecumseh Water And Sewer](#)  
[Leamington Water And Sewer](#)  
[Amherstburg Water And Sewer](#)  
[Other](#)  
[Contact Us](#)  
[Help](#)  
[e-BILLING](#)  
[View your Bill](#)

### E-BILLING

Billing Date	Description
1/28/2011	Letter to Amherstburg & Tecumseh Customers re TOU Electricit
1/28/2011	Ontario Electricity Time-of-Use Price Periods
1/28/2011	Introducing Time of Use Rates Front
1/28/2011	Introducing Time-of-Use Rates Back
1/28/2011	Letter to LaSalle & Leamington Customers re TOU Electricity
1/15/2011	Ontario 10% off Coupon
1/1/2011	Tecumseh Water & Sewer Rates eff Jan 1/11
1/1/2011	LaSalle Water & Wast Water Rates eff Jan 1/11
7/30/2010	LaSalle Water & Waste Water Rates eff July 1/10
6/30/2010	Amherstburg Water & Wastewater Increase June 1/10
5/3/2010	OEB Spring 2010 Newsletter
5/1/2010	Essex Power Rates effective May 1/10
1/1/2010	Leamington Water Rates eff Jan 1/10
4/27/2009	Your Smart Meter is Coming Soon
4/27/2009	Getting Smart About Smart Meters Answer Book
4/1/2009	Essex Power Rates effective May 1/09
12/1/2008	Leamington Water & Sewer Rates eff Jan 1/09
12/1/2008	Tecumseh Water & Sewer Rates eff Jan 1/09
5/7/2008	OEB Spring Summer Newsletter
5/7/2008	OPA Summer Sweepstakes
5/7/2008	OPA Refrigerator Roundup


[Click Here to View Your](#)



### Advantages of eBilling

- Review bills 24 hours a day, 7 days a week
- Reduction or elimination of paper filing and storage
- Environmental saving with elimination of printed bills and envelopes
- Simplified record retention

[Click Here To Sign Up](#)





---

**Benefits:**

- No more paper, printing and mailing costs for invoices
- Electronic access to information
- All bills are electronically produced, stored and organized online
- Better customer service, as reps can access an exact replica of invoices and view the same bill print that the customer is viewing, regardless of any system or bill print modifications
- “Green” solution and reduces your carbon footprint
- More accurate customer contact information being maintained
- Eliminate the reliance on Canada Post. You now will have a record that the notification was sent to the customer. This is a great option for Collection accounts where bills are often not received.
- This is the first step to a full suite within the Loris Document Archiving solution. Imagine the ability to see all customer correspondence, including bills in one electronic file.
- Bills are received by the customer the same day they are processed. This provides a faster turnaround time for payment.





## **Pricing Schedule**

### One-Time Fees:

Item	Price
Base Model eCARE	\$4,500
eBilling Set-up	Free
<b>Total Cost</b>	<b>\$ 4,500</b>

Item	Price
Upgrade to DSM eCARE (at a later date)	\$5,000

### Yearly Fees:

Item	mCare
Base Model eCARE Maintenance and Hosting	\$ 125 / mth
Bill Archival Costs	\$ 250 / mth
eBilling Costs	\$ 0.44 / Bill
<b>Total Cost</b>	<b>\$ 375 /mth + 0.44 / each customer signed up on ebilling</b>

Item	mCare
Additional Maintenance for DSM eCARE	\$ 200 / mth

#### Notes for All Tables:

- All Prices are to be paid in Canadian funds
- Applicable Taxes Extra
- Price valid for 30 days

#### Terms

- Initial contract term will be for one year
- Minimum charge of \$250 / mth will apply until 568 customers are signed up for e-billing at which time \$0.44 / Bill will apply
- Hydro Hawkesbury will promote the eBilling functionality to its customers through bill inserts and their web-site
- ECALIBER will hold web-ex training on how the eBilling solution modifies daily billing operations and will waive all set-up costs and training costs for eBilling.





If you would like to accept the proposal and move forward, please sign and date one copy and return it to Andy Molnar by email.

Hydro Hawkesbury

Name (Print) \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

ERTH Business Technologies  
Inc.  
(ECALIBER)

Name (Print) \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_





File Number: EB-2012-0198

Exhibit: 1


Tab: 2

Schedule: 1

Date Filed: July 16, 2012

## Appendix 3 of 3

### Smart Meter Rate Model V2.17



Ontario Energy Board

Smart Meter Model

V 2.17

Choose Your Utility:

Festival Hvdn Inc - Hensall  
Fort Albany Power Corporation  
Fort Frances Power Corporation

Application Contact Information

Name:

Michel Poulin

Title:

Manager

Phone Number:

613-632-6689

Email Address:

michelpoulin@hydrohawkesbury.ca

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.*

Hydro Hawkesbury Inc.

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

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

		2006	2007	2008	2009	2010	2011	2012 and later	Total
Smart Meter Capital Cost and Operational Expense Data		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	0	0	1,489	3,314	0		4803
General Service < 50 kW		0	0	0	0	171	407		578
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)		0	0	0	1489	3485	407	0	5381
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed		0.00%	0.00%	0.00%	27.67%	92.44%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed		0	0	0	0	0	0		0
Other (please identify)		0	0	0	0	0	0		0
Total Number of Smart Meters installed or planned to be installed		0	0	0	1489	3485	407	0	5381
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	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
					170,914	295,356	102,431		\$ 568,701
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter						12,334		\$ 12,334
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)									\$ -
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)									\$ -
Total Advanced Metering Communications Devices (AMCD)		\$ -	\$ -	\$ -	\$ 170,914	\$ 295,356	\$ 114,765	\$ -	\$ 581,035
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)									
		Asset Type							
1.2.1 Collectors	Smart Meter	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
					6,889	6,316			\$ 13,205
1.2.2 Repeaters (may include radio licence, etc.)									\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter					1,534			\$ 1,534
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)		\$ -	\$ -	\$ -	\$ 6,889	\$ 7,850	\$ -	\$ -	\$ 14,739
1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)									
		Asset Type							
1.3.1 Computer Hardware		Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
									\$ -
1.3.2 Computer Software	Computer Software						7,520		\$ 7,520
1.3.3 Computer Software Licences & Installation (includes hardware and software) (may include AS/400 disk space, backup and recovery computer, UPS, etc.)									\$ -
Total Advanced Metering Control Computer (AMCC)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,520	\$ -	\$ 7,520
1.4 WIDE AREA NETWORK (WAN)									
		Asset Type							
1.4.1 Activation Fees		Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
									\$ -
Total Wide Area Network (WAN)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



		Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
<b>1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY</b>								
1.5.1	Customer Equipment <i>(including repair of damaged equipment)</i>	Tools & Equipment			272	1,443	459	\$ 2,173
1.5.2	AMI Interface to CIS	Applications Software				1,030		\$ 1,030
1.5.3	Professional Fees	Applications Software					30,000	\$ 30,000
1.5.4	Integration	Computer Software					3,000	\$ 3,000
1.5.5	Program Management							\$ -
1.5.6	Other AMI Capital							\$ -
<b>Total Other AMI Capital Costs Related to Minimum Functionality</b>			\$ -	\$ -	\$ -	\$ 272	\$ 2,472	\$ 33,459
<b>Total Capital Costs Related to Minimum Functionality</b>			\$ -	\$ -	\$ -	\$ 178,074	\$ 305,679	\$ 155,743
		Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
<b>1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY</b>								
<i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>								
1.6.1	Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06							\$ -
1.6.2	Costs for deployment of smart meters to customers other than residential and small general service	Smart Meter			3,878	2,165		\$ 6,043
1.6.3	Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.							\$ -
<b>Total Capital Costs Beyond Minimum Functionality</b>			\$ -	\$ -	\$ -	\$ 3,878	\$ 2,165	\$ -
<b>Total Smart Meter Capital Costs</b>			\$ -	\$ -	\$ -	\$ 181,952	\$ 307,843	\$ 155,743
<b>2 OM&amp;A Expenses</b>								
2.1	ADVANCED METERING COMMUNICATION DEVICE (AMCD)		Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
2.1.1	Maintenance <i>(may include meter reverification costs, etc.)</i>					903	417	\$ 1,319
2.1.2	Other <i>(please specify)</i>							\$ -
<b>Total Incremental AMCD OM&amp;A Costs</b>			\$ -	\$ -	\$ -	\$ -	\$ 903	\$ 417
2.2	ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)							
2.2.1	Maintenance							\$ -
2.2.2	Other <i>(please specify)</i>							\$ -
<b>Total Incremental AMRC OM&amp;A Costs</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3	ADVANCED METERING CONTROL COMPUTER (AMCC)							
2.3.1	Hardware Maintenance <i>(may include server support, etc.)</i>							\$ -
2.3.2	Software Maintenance <i>(may include maintenance support, etc.)</i>							\$ -
2.3.2	Other <i>(please specify)</i>							\$ -
<b>Total Incremental AMCC OM&amp;A Costs</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.4	WIDE AREA NETWORK (WAN)							
2.4.1	WAN Maintenance							\$ -
2.4.2	Other <i>(please specify)</i>							\$ -
<b>Total Incremental AMRC OM&amp;A Costs</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>2.5 OTHER AMI OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>								
2.5.1	Business Process Redesign							\$ -
2.5.2	Customer Communication (may include project communication, etc.)					3,901	3,283	\$ 958

2.5.3 Program Management							\$	-
2.5.4 Change Management (may include training, etc.)				440			\$	440
2.5.5 Administration Costs							\$	-
2.5.6 Other AMI Expenses <i>(please specify)</i>							\$	-
<b>Total Other AMI OM&amp;A Costs Related to Minimum Functionality</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,340</u>	<u>\$ 3,283</u>	<u>\$ 958</u>	<u>\$ 8,581</u>
<b>TOTAL OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,243</u>	<u>\$ 3,700</u>	<u>\$ 958</u>	<u>\$ 9,900</u>
<b>2.6 OM&amp;A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY</b> <i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual		
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.						5,000	\$	5,000
<b>Total OM&amp;A Costs Beyond Minimum Functionality</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
<b>Total Smart Meter OM&amp;A Costs</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,243</u>	<u>\$ 3,700</u>	<u>\$ 5,958</u>	<u>\$ 14,900</u>

### 3 Aggregate Smart Meter Costs by Category

<b>3.1</b>	<b>Capital</b>								
3.1.1	Smart Meter	\$ -	\$ -	\$ -	\$ 181,681	\$ 305,371	\$ 114,765	\$ -	\$ 601,816
3.1.2	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.3	Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,520	\$ -	\$ 10,520
3.1.4	Tools & Equipment	\$ -	\$ -	\$ -	\$ 272	\$ 1,443	\$ 459	\$ -	\$ 2,173
3.1.5	Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.6	Applications Software	\$ -	\$ -	\$ -	\$ -	\$ 1,030	\$ 30,000	\$ -	\$ 31,030
<b>3.1.7</b>	<b>Total Capital Costs</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,952</u>	<u>\$ 307,843</u>	<u>\$ 155,743</u>	<u>\$ -</u>	<u>\$ 645,539</u>
<b>3.2</b>	<b>OM&amp;A Costs</b>								
<b>3.2.1</b>	<b>Total OM&amp;A Costs</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,243</u>	<u>\$ 3,700</u>	<u>\$ 5,958</u>	<u>\$ 14,900</u>



## Hydro Hawkesbury Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
<b>Cost of Capital</b>							
<b>Capital Structure<sup>1</sup></b>							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares							
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Capital Parameters</b>							
Deemed Short-term Debt Rate			0.00%	0.00%	1.33%	1.33%	1.33%
Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>	6.25%	6.25%	6.25%	6.25%	7.62%	7.62%	7.62%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	8.01%	8.01%	8.01%
Return on Preferred Shares							
<b>WACC</b>	7.63%	7.63%	7.53%	7.44%	7.52%	7.52%	7.52%
<b>Working Capital Allowance</b>							
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>							
<b>Taxes/PILs</b>							
Aggregate Corporate Income Tax Rate	18.62%	18.62%	16.50%	16.50%	16.00%	15.50%	15.50%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
<b>Depreciation Rates</b>							
<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	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
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%
<b>CCA Rates</b>							
Smart Meters - CCA Class	1	47	47	47	47	47	47
Smart Meters - CCA Rate	4%	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	12	12	12	12	12	12	12
Applications Software - CCA Rate	100%	100%	100%	100%	100%	100%	100%

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



Ontario Energy Board

## Smart Meter Model

### Hydro Hawkesbury Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
<b>Net Fixed Assets - Smart Meters</b>							
<b>Gross Book Value</b>							
Opening Balance		\$ -	\$ -	\$ -	\$ 181,681	\$ 487,052	\$ 601,816
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 181,681	\$ 305,371	\$ 114,765	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 181,681	\$ 487,052	\$ 601,816	\$ 601,816
<b>Accumulated Depreciation</b>							
Opening Balance		\$ -	\$ -	\$ -	-\$ 6,056	-\$ 28,347	-\$ 64,643
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 6,056	-\$ 22,291	-\$ 36,296	-\$ 40,121
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	-\$ 6,056	-\$ 28,347	-\$ 64,643	-\$ 104,764
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 175,625	\$ 458,704	\$ 537,174
Closing Balance	\$ -	\$ -	\$ -	\$ 175,625	\$ 458,704	\$ 537,174	\$ 497,053
Average Net Book Value	\$ -	\$ -	\$ -	\$ 87,812	\$ 317,164	\$ 497,939	\$ 517,113
<b>Net Fixed Assets - Computer Hardware</b>							
<b>Gross Book Value</b>							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Fixed Assets - Computer Software (including Applications Software)</b>							
<b>Gross Book Value</b>							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ 1,030	\$ 41,549
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 1,030	\$ 40,520	\$ -

Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,030	\$ 41,549	\$ 41,549
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 103	-\$ 4,361
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	-\$ 103	-\$ 4,258	-\$ 8,310
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	-\$ 103	-\$ 4,361	-\$ 12,671
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927	\$ 37,189
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 927	\$ 37,189	\$ 28,879
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 463	\$ 19,058	\$ 33,034
<b>Net Fixed Assets - Tools and Equipment</b>							
<b>Gross Book Value</b>							
Opening Balance		\$ -	\$ -	\$ -	\$ 272	\$ 1,715	\$ 2,173
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 272	\$ 1,443	\$ 459	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 272	\$ 1,715	\$ 2,173	\$ 2,173
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	-\$ 14	-\$ 113	-\$ 307
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 14	-\$ 99	-\$ 194	-\$ 217
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	-\$ 14	-\$ 113	-\$ 307	-\$ 525
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 258	\$ 1,602	\$ 1,866
Closing Balance	\$ -	\$ -	\$ -	\$ 258	\$ 1,602	\$ 1,866	\$ 1,649
Average Net Book Value	\$ -	\$ -	\$ -	\$ 129	\$ 930	\$ 1,734	\$ 1,757
<b>Net Fixed Assets - Other Equipment</b>							
<b>Gross Book Value</b>							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -





Ontario Energy Board

## Smart Meter Model

### Hydro Hawkesbury Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
<b>Average Net Fixed Asset Values (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 87,812	\$ 317,164	\$ 497,939	\$ 517,113
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 463	\$ 19,058	\$ 33,034
Tools & Equipment	\$ -	\$ -	\$ -	\$ 129	\$ 930	\$ 1,734	\$ 1,757
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Net Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,941</b>	<b>\$ 318,558</b>	<b>\$ 518,730</b>	<b>\$ 551,904</b>
<b>Working Capital</b>							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ -	\$ 5,243	\$ 3,700	\$ 5,958
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ 786	\$ 555	\$ 894
<b>Incremental Smart Meter Rate Base</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,941</b>	<b>\$ 319,344</b>	<b>\$ 519,285</b>	<b>\$ 552,798</b>
<b>Return on Rate Base</b>							
<b>Capital Structure</b>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 12,774	\$ 20,771	\$ 22,112
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 49,863	\$ 178,833	\$ 290,800	\$ 309,567
Equity	\$ -	\$ -	\$ -	\$ 38,079	\$ 127,738	\$ 207,714	\$ 221,119
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capitalization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,941</b>	<b>\$ 319,344</b>	<b>\$ 519,285</b>	<b>\$ 552,798</b>
<b>Return on</b>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 170	\$ 276	\$ 294
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 3,116	\$ 13,627	\$ 22,159	\$ 23,589
Equity	\$ -	\$ -	\$ -	\$ 3,427	\$ 10,232	\$ 16,638	\$ 17,712
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Return on Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,543</b>	<b>\$ 24,029</b>	<b>\$ 39,073</b>	<b>\$ 41,595</b>
<b>Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,243</b>	<b>\$ 3,700</b>	<b>\$ 5,958</b>
<b>Amortization Expenses (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 6,056	\$ 22,291	\$ 36,296	\$ 40,121
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 103	\$ 4,258	\$ 8,310
Tools & Equipment	\$ -	\$ -	\$ -	\$ 14	\$ 99	\$ 194	\$ 217

Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Amortization Expense in Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,070</u>	<u>\$ 22,493</u>	<u>\$ 40,748</u>	<u>\$ 48,648</u>
<b>Incremental Revenue Requirement before Taxes/PILs</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,613</u>	<u>\$ 51,765</u>	<u>\$ 83,521</u>	<u>\$ 96,201</u>
<b>Calculation of Taxable Income</b>							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 5,243	\$ 3,700	\$ 5,958
Amortization Expense	\$ -	\$ -	\$ -	\$ 6,070	\$ 22,493	\$ 40,748	\$ 48,648
Interest Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,116</u>	<u>\$ 13,797</u>	<u>\$ 22,435</u>	<u>\$ 23,883</u>
<b>Net Income for Taxes/PILs</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,427</u>	<u>\$ 10,232</u>	<u>\$ 16,638</u>	<u>\$ 17,712</u>
<b>Grossed-up Taxes/PILs (from Sheet 7)</b>	\$ -	\$ -	\$ -	\$ 830.92	\$ 1,460.06	-\$ 412.09	\$ 851.75
<b>Revenue Requirement, including Grossed-up Taxes/PILs</b>	\$ -	\$ -	\$ -	\$ 13,444	\$ 53,225	\$ 83,109	\$ 97,052



Ontario Energy Board

## Smart Meter Model

Hydro Hawkesbury 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	\$ -	\$ -	\$ -	\$ -	\$ 174,413.30	\$ 453,616.45	\$ 527,501.42
Capital Additions	\$ -	\$ -	\$ -	\$ 181,680.52	\$ 305,371.06	\$ 114,764.88	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 181,680.52	\$ 479,784.36	\$ 568,381.33	\$ 527,501.42
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 90,840.26	\$ 152,685.53	\$ 57,382.44	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 90,840.26	\$ 327,098.83	\$ 510,998.89	\$ 527,501.42
CCA Rate Class	1	47	47	47	47	47	47
CCA Rate	4%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ -	\$ 7,267.22	\$ 26,167.91	\$ 40,879.91	\$ 42,200.11
Closing UCC	\$ -	\$ -	\$ -	\$ 174,413.30	\$ 453,616.45	\$ 527,501.42	\$ 485,301.31

### 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,626.86
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,519.80	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,519.80	\$ 7,626.86
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,259.90	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,259.90	\$ 7,626.86
CCA Rate Class	45	50	50	52	52	50	50
CCA Rate	45%	55%	55%	100%	100%	55%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,892.95	\$ 4,194.77
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,626.86	\$ 3,432.08

### 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	\$ -	\$ -	\$ -	\$ -	\$ 244.65	\$ 1,494.18	\$ 1,608.09
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ 271.83	\$ 1,442.74	\$ 458.60	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 271.83	\$ 1,687.39	\$ 1,952.78	\$ 1,608.09
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 135.92	\$ 721.37	\$ 229.30	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 135.92	\$ 966.02	\$ 1,723.48	\$ 1,608.09
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 27.18	\$ 193.20	\$ 344.70	\$ 321.62
Closing UCC	\$ -	\$ -	\$ -	\$ 244.65	\$ 1,494.18	\$ 1,608.09	\$ 1,286.47

**UCC - Applications Software**

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 514.80	\$ 15,000.00
Capital Additions Applications Software	\$ -	\$ -	\$ -	\$ -	\$ 1,029.60	\$ 30,000.00	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 1,029.60	\$ 30,514.80	\$ 15,000.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 514.80	\$ 15,000.00	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 514.80	\$ 15,514.80	\$ 15,000.00
CCA Rate Class	12	12	12	12	12	12	12
CCA Rate	100%	100%	100%	100%	100%	100%	100%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 514.80	\$ 15,514.80	\$ 15,000.00
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 514.80	\$ 15,000.00	\$ -



Ontario Energy Board

## Smart Meter Model

Hydro Hawkesbury Inc.

## PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
<b>INCOME TAX</b>							
Net Income	\$ -	\$ -	\$ -	\$ 3,427.08	\$ 10,231.79	\$ 16,637.91	\$ 17,711.64
Amortization	\$ -	\$ -	\$ -	\$ 6,069.61	\$ 22,493.35	\$ 40,747.89	\$ 48,648.29
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 7,267.22	\$ 26,167.91	\$ 40,879.91	\$ 42,200.11
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,892.95	\$ 4,194.77
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ 514.80	\$ 15,514.80	\$ 15,000.00
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ 27.18	\$ 193.20	\$ 344.70	\$ 321.62
Change in taxable income	\$ -	\$ -	\$ -	\$ 2,202.28	\$ 5,849.23	\$ 2,246.56	\$ 4,643.43
Tax Rate (from Sheet 3)	18.62%	18.62%	16.50%	16.50%	16.00%	15.50%	15.50%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 363.38	\$ 935.88	\$ 348.22	\$ 719.73
<b>ONTARIO CAPITAL TAX</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 175,624.50	\$ 458,704.49	\$ 537,173.77	\$ 497,052.67
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ 926.64	\$ 37,188.54	\$ 28,878.66
Tools & Equipment	\$ -	\$ -	\$ -	\$ 258.24	\$ 1,601.66	\$ 1,865.87	\$ 1,648.55
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 175,882.74	\$ 461,232.79	\$ 576,228.18	\$ 527,579.89
Less: Exemption							
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 175,882.74	\$ 461,232.79	\$ 576,228.18	\$ 527,579.89
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)	\$ -	\$ -	\$ -	\$ 395.74	\$ 345.92	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 363.38	\$ 935.88	\$ 348.22	\$ 719.73
Change in OCT	\$ -	\$ -	\$ -	\$ 395.74	\$ 345.92	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 759.11	\$ 1,281.80	\$ 348.22	\$ 719.73

Gross Up PILs

Tax Rate		18.62%		18.62%		16.50%		16.50%		16.00%		15.50%		15.50%
Change in Income Taxes Payable	\$	-	\$	-	\$	-	\$	435.18	\$	1,114.14	-\$	412.09	\$	851.75
Change in OCT	\$	-	\$	-	\$	-	\$	395.74	\$	345.92	\$	-	\$	-
PILs	\$	-	\$	-	\$	-	\$	830.92	\$	1,460.06	-\$	412.09	\$	851.75



Ontario Energy Board

Smart Meter Model

Hydro Hawkesbury 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	\$ -	\$ 45.32	4.14%	\$ -	\$ 45.32		\$ 0.26
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 45.32	\$ 1,113.88	4.14%	\$ 0.16	\$ 1,159.36		\$ 0.26
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 1,159.20	\$ 158.73	4.59%	\$ 4.43	\$ 1,322.36		\$ 0.26
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 1,317.93	\$ 2,533.14	4.59%	\$ 5.04	\$ 3,856.11		\$ 0.26
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 3,851.07	\$ 169.02	4.59%	\$ 14.73	\$ 4,034.82		\$ 0.26
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 4,020.09	\$ 2,550.43	4.59%	\$ 15.38	\$ 6,585.90		\$ 0.26
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 6,570.52	\$ 187.50	4.59%	\$ 25.13	\$ 6,783.15		\$ 0.26
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 6,758.02	\$ 2,572.12	4.59%	\$ 25.85	\$ 9,355.99	\$ 9,420.86	\$ 0.26
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 9,330.14	\$ 191.55	4.59%	\$ 35.69	\$ 9,557.38		\$ 0.26
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 9,521.69	\$ 2,544.81	4.59%	\$ 36.42	\$ 12,102.92		\$ 0.26
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 12,066.50	\$ 163.87	4.59%	\$ 46.15	\$ 12,276.52		\$ 0.26
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 12,230.37	\$ 2,574.69	4.59%	\$ 46.78	\$ 14,851.84		\$ 0.26
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 14,805.06	\$ 181.19	4.59%	\$ 56.63	\$ 15,042.88		\$ 0.26
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 14,986.25	\$ 2,593.41	4.59%	\$ 57.32	\$ 17,636.98		\$ 0.26
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 17,579.66	\$ 183.05	4.59%	\$ 67.24	\$ 17,829.95		\$ 0.26
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 17,762.71	\$ 2,565.71	4.59%	\$ 67.94	\$ 20,396.36		\$ 0.26
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 20,328.42	\$ 169.19	4.59%	\$ 77.76	\$ 20,575.37		\$ 0.26
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 20,497.61	\$ 2,587.52	5.14%	\$ 87.80	\$ 23,172.93		\$ 0.26
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 23,085.13	\$ 190.78	5.14%	\$ 98.88	\$ 23,374.79		\$ 0.26
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 23,275.91	\$ 2,604.06	5.14%	\$ 99.70	\$ 25,979.67	\$ 17,328.14	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 25,879.97	\$ 173.68	5.14%	\$ 110.85	\$ 26,164.50		\$ 0.26
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 26,053.65	\$ 2,646.62	5.14%	\$ 111.60	\$ 28,811.87		\$ 0.26
2012 Q3		4.29%	Mar-08	2008	Q1	\$ 28,700.27	\$ 162.33	5.14%	\$ 122.93	\$ 28,985.53		\$ 0.26
2012 Q4		4.29%	Apr-08	2008	Q2	\$ 28,862.60	\$ 2,606.32	4.08%	\$ 98.13	\$ 31,567.05		\$ 0.26
			May-08	2008	Q2	\$ 31,468.92	\$ 153.81	4.08%	\$ 106.99	\$ 31,729.72		\$ 0.26
			Jun-08	2008	Q2	\$ 31,622.73	\$ 2,557.50	4.08%	\$ 107.52	\$ 34,287.75		\$ 0.26
			Jul-08	2008	Q3	\$ 34,180.23	\$ 193.74	3.35%	\$ 95.42	\$ 34,469.39		\$ 0.26
			Aug-08	2008	Q3	\$ 34,373.97	\$ 2,589.75	3.35%	\$ 95.96	\$ 37,059.68		\$ 0.26
			Sep-08	2008	Q3	\$ 36,963.72	\$ 178.68	3.35%	\$ 103.19	\$ 37,245.59		\$ 0.26
			Oct-08	2008	Q4	\$ 37,142.40	\$ 2,601.87	3.35%	\$ 103.69	\$ 39,847.96		\$ 0.26
			Nov-08	2008	Q4	\$ 39,744.27	\$ 183.81	3.35%	\$ 110.95	\$ 40,039.03		\$ 0.26
			Dec-08	2008	Q4	\$ 39,928.08	\$ 2,599.28	3.35%	\$ 111.47	\$ 42,638.83	\$ 17,926.09	\$ 0.26
			Jan-09	2009	Q1	\$ 42,527.36	\$ 168.12	2.45%	\$ 86.83	\$ 42,782.31		\$ 0.26
			Feb-09	2009	Q1	\$ 42,695.48	\$ 2,630.85	2.45%	\$ 87.17	\$ 45,413.50		\$ 0.26
			Mar-09	2009	Q1	\$ 45,326.33	\$ 165.36	2.45%	\$ 92.54	\$ 45,584.23		\$ 0.26
			Apr-09	2009	Q2	\$ 45,491.69	\$ 2,549.35	1.00%	\$ 37.91	\$ 48,078.95		\$ 0.26
			May-09	2009	Q2	\$ 48,041.04	\$ 237.84	1.00%	\$ 40.03	\$ 48,318.91		\$ 1.00
			Jun-09	2009	Q2	\$ 48,278.88	\$ 5,813.63	1.00%	\$ 40.23	\$ 54,132.74		\$ 1.00
			Jul-09	2009	Q3	\$ 54,092.51	\$ 690.77	0.55%	\$ 24.79	\$ 54,808.07		\$ 1.00
			Aug-09	2009	Q3	\$ 54,783.28	\$ 10,290.12	0.55%	\$ 25.11	\$ 65,098.51		\$ 1.00
			Sep-09	2009	Q3	\$ 65,073.40	\$ 723.47	0.55%	\$ 29.83	\$ 65,826.70		\$ 1.00
			Oct-09	2009	Q4	\$ 65,796.87	\$ 10,187.21	0.55%	\$ 30.16	\$ 76,014.24		\$ 1.00
			Nov-09	2009	Q4	\$ 75,984.08	\$ 744.63	0.55%	\$ 34.83	\$ 76,763.54		\$ 1.00
			Dec-09	2009	Q4	\$ 76,728.71	\$ 9,805.61	0.55%	\$ 35.17	\$ 86,569.49	\$ 44,571.56	\$ 1.00
			Jan-10	2010	Q1	\$ 86,534.32	\$ 762.26	0.55%	\$ 39.66	\$ 87,336.24		\$ 1.00
			Feb-10	2010	Q1	\$ 87,296.58	\$ 10,695.33	0.55%	\$ 40.01	\$ 98,031.92		\$ 1.00
			Mar-10	2010	Q1	\$ 97,991.91	\$ 684.31	0.55%	\$ 44.91	\$ 98,721.13		\$ 1.00
			Apr-10	2010	Q2	\$ 98,676.22	\$ 9,854.90	0.55%	\$ 45.23	\$ 108,576.35		\$ 1.00
			May-10	2010	Q2	\$ 108,531.12	\$ 714.50	0.55%	\$ 49.74	\$ 109,295.36		\$ 1.00
			Jun-10	2010	Q2	\$ 109,245.62	\$ 12,377.60	0.55%	\$ 50.07	\$ 121,673.29		\$ 1.00
			Jul-10	2010	Q3	\$ 121,623.22	\$ 1,150.33	0.89%	\$ 90.20	\$ 122,863.75		\$ 1.00
			Aug-10	2010	Q3	\$ 122,773.55	\$ 14,297.39	0.89%	\$ 91.06	\$ 137,162.00		\$ 1.00
			Sep-10	2010	Q3	\$ 137,070.94	\$ 1,030.17	0.89%	\$ 101.66	\$ 138,202.77		\$ 1.00
			Oct-10	2010	Q4	\$ 138,101.11	\$ 15,261.75	1.20%	\$ 138.10	\$ 153,500.96		\$ 1.00
			Nov-10	2010	Q4	\$ 153,362.86	\$ 1,056.77	1.20%	\$ 153.36	\$ 154,572.99		\$ 1.00
			Dec-10	2010	Q4	\$ 154,419.63	\$ 14,471.65	1.20%	\$ 154.42	\$ 169,045.70	\$ 83,355.38	\$ 1.00
			Jan-11	2011	Q1	\$ 168,891.28	\$ 1,154.74	1.47%	\$ 206.89	\$ 170,252.91		\$ 1.00
			Feb-11	2011	Q1	\$ 170,046.02	\$ 14,976.74	1.47%	\$ 208.31	\$ 185,231.07		\$ 1.00
			Mar-11	2011	Q1	\$ 185,022.76	\$ 933.05	1.47%	\$ 226.65	\$ 186,182.46		\$ 1.00
			Apr-11	2011	Q2	\$ 185,955.81	\$ 16,222.52	1.47%	\$ 227.80	\$ 202,406.13		\$ 1.00
			May-11	2011	Q2	\$ 202,178.33	\$ 1,024.68	1.47%	\$ 247.67	\$ 203,450.68		\$ 1.00
			Jun-11	2011	Q2	\$ 203,203.01	\$ 15,035.80	1.47%	\$ 248.92	\$ 218,487.73		\$ 1.45
			Jul-11	2011	Q3	\$ 218,238.81	\$ 1,069.95	1.47%	\$ 267.34	\$ 219,576.10		\$ 1.45
			Aug-11	2011	Q3	\$ 219,308.76	\$ 14,995.24	1.47%	\$ 268.65	\$ 234,572.65		\$ 1.45
			Sep-11	2011	Q3	\$ 234,304.00	\$ 1,084.22	1.47%	\$ 287.02	\$ 235,675.24		\$ 1.45
			Oct-11	2011	Q4	\$ 235,388.22	\$ 14,969.18	1.47%	\$ 288.35	\$ 250,645.75		\$ 1.45
			Nov-11	2011	Q4	\$ 250,357.40	\$ 8,171.76	1.47%	\$ 306.69	\$ 258,835.85		\$ 1.45
			Dec-11	2011	Q4	\$ 258,529.16	\$ 7,889.50	1.47%	\$ 316.70	\$ 266,735.36	\$ 100,628.37	\$ 1.45
			Jan-12	2012	Q1	\$ 266,418.66	\$ 8,444.34	1.47%	\$ 326.36	\$ 275,189.36		\$ 1.45
			Feb-12	2012	Q1	\$ 274,863.00	\$ 8,190.09	1.47%	\$ 336.71	\$ 283,389.80		\$ 1.45







Ontario Energy Board

Smart Meter Model

Hydro Hawkesbury Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP				Opening Balance	Funding Adder	Interest				Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
			Date	Year	Quarter	(Principal)	Revenues	Rate	Interest	Closing Balance			
			Mar-12	2012	Q1	\$ 283,053.09	\$ 7,655.47	1.47%	\$ 346.74	\$ 291,055.30			\$ 1.45
			Apr-12	2012	Q2	\$ 290,708.56	\$ 7,027.54	1.47%	\$ 356.12	\$ 298,092.22			\$ 1.45
			May-12	2012	Q2	\$ 297,736.10	\$ 8,325.31	1.47%	\$ 364.73	\$ 306,426.14			
			Jun-12	2012	Q2	\$ 306,061.41	\$ 742.01	1.47%	\$ 374.93	\$ 307,178.35			
			Jul-12	2012	Q3	\$ 306,803.42		0.00%	\$ -	\$ 306,803.42			
			Aug-12	2012	Q3	\$ 306,803.42		0.00%	\$ -	\$ 306,803.42			
			Sep-12	2012	Q3	\$ 306,803.42		0.00%	\$ -	\$ 306,803.42			
			Oct-12	2012	Q4	\$ 306,803.42		0.00%	\$ -	\$ 306,803.42			
			Nov-12	2012	Q4	\$ 306,803.42		0.00%	\$ -	\$ 306,803.42			
			Dec-12	2012	Q4	\$ 306,803.42		0.00%	\$ -	\$ 306,803.42	\$ 42,490.35		
Total Funding Adder Revenues Collected						\$ 306,803.42			\$ 8,917.33	\$ 315,720.75	\$ 315,720.75		



**Ontario Energy Board**  
**Smart Meter Model**

**Hydro Hawkesbury 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	-			-	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	-			-	5.14%	-	-
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	-			-	5.14%	-	-
2012 Q3	0.00%	4.29%	Mar-08	2008	Q1	-			-	5.14%	-	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	-			-	4.08%	-	-
			May-08	2008	Q2	-			-	4.08%	-	-
			Jun-08	2008	Q2	-			-	4.08%	-	-
			Jul-08	2008	Q3	-			-	3.35%	-	-
			Aug-08	2008	Q3	-			-	3.35%	-	-
			Sep-08	2008	Q3	-			-	3.35%	-	-
			Oct-08	2008	Q4	-			-	3.35%	-	-
			Nov-08	2008	Q4	-			-	3.35%	-	-
			Dec-08	2008	Q4	-			-	3.35%	-	-
			Jan-09	2009	Q1	-		\$ 505.80	505.80	2.45%	-	-
			Feb-09	2009	Q1	505.80		\$ 505.80	1,011.60	2.45%	1.03	1.03
			Mar-09	2009	Q1	1,011.60		\$ 505.80	1,517.40	2.45%	2.07	3.10
			Apr-09	2009	Q2	1,517.40		\$ 505.80	2,023.20	1.00%	1.26	4.36
			May-09	2009	Q2	2,023.20		\$ 505.80	2,529.00	1.00%	1.69	6.05
			Jun-09	2009	Q2	2,529.00		\$ 505.80	3,034.80	1.00%	2.11	8.16
			Jul-09	2009	Q3	3,034.80		\$ 505.80	3,540.61	0.55%	1.39	9.55
			Aug-09	2009	Q3	3,540.61		\$ 505.80	4,046.41	0.55%	1.62	11.17
			Sep-09	2009	Q3	4,046.41		\$ 505.80	4,552.21	0.55%	1.85	13.02
			Oct-09	2009	Q4	4,552.21		\$ 505.80	5,058.01	0.55%	2.09	15.11
			Nov-09	2009	Q4	5,058.01		\$ 505.80	5,563.81	0.55%	2.32	17.43
			Dec-09	2009	Q4	5,563.81		\$ 505.80	6,069.61	0.55%	2.55	19.98
			Jan-10	2010	Q1	6,069.61		\$ 1,874.45	7,944.05	0.55%	2.78	22.76
			Feb-10	2010	Q1	7,944.05		\$ 1,874.45	9,818.50	0.55%	3.64	26.40
			Mar-10	2010	Q1	9,818.50		\$ 1,874.45	11,692.95	0.55%	4.50	30.90
			Apr-10	2010	Q2	11,692.95		\$ 1,874.45	13,567.39	0.55%	5.36	36.26
			May-10	2010	Q2	13,567.39		\$ 1,874.45	15,441.84	0.55%	6.22	42.48
			Jun-10	2010	Q2	15,441.84		\$ 1,874.45	17,316.28	0.55%	7.08	49.56
			Jul-10	2010	Q3	17,316.28		\$ 1,874.45	19,190.73	0.89%	12.84	62.40
			Aug-10	2010	Q3	19,190.73		\$ 1,874.45	21,065.18	0.89%	14.23	76.63
			Sep-10	2010	Q3	21,065.18		\$ 1,874.45	22,939.62	0.89%	15.62	92.26
			Oct-10	2010	Q4	22,939.62		\$ 1,874.45	24,814.07	1.20%	22.94	115.20
			Nov-10	2010	Q4	24,814.07		\$ 1,874.45	26,688.51	1.20%	24.81	140.01
			Dec-10	2010	Q4	26,688.51	\$ 5,242.83	\$ 1,874.45	33,805.79	1.20%	26.69	166.70
			Jan-11	2011	Q1	33,805.79		\$ 3,395.66	37,201.45	1.47%	41.41	208.11
			Feb-11	2011	Q1	37,201.45		\$ 3,395.66	40,597.10	1.47%	45.57	253.68
			Mar-11	2011	Q1	40,597.10		\$ 3,395.66	43,992.76	1.47%	49.73	303.41
			Apr-11	2011	Q2	43,992.76		\$ 3,395.66	47,388.42	1.47%	53.89	357.31
			May-11	2011	Q2	47,388.42		\$ 3,395.66	50,784.08	1.47%	58.05	415.36
			Jun-11	2011	Q2	50,784.08		\$ 3,395.66	54,179.73	1.47%	62.21	477.57
			Jul-11	2011	Q3	54,179.73		\$ 3,395.66	57,575.39	1.47%	66.37	543.94

	Aug-11	2011	Q3	57,575.39		\$ 3,395.66	60,971.05	1.47%	70.53	614.47
	Sep-11	2011	Q3	60,971.05		\$ 3,395.66	64,366.71	1.47%	74.69	689.16
	Oct-11	2011	Q4	64,366.71		\$ 3,395.66	67,762.36	1.47%	78.85	768.01
	Nov-11	2011	Q4	67,762.36		\$ 3,395.66	71,158.02	1.47%	83.01	851.01
	Dec-11	2011	Q4	71,158.02	\$ 3,699.79	\$ 3,395.66	78,253.47	1.47%	87.17	938.18
	Jan-12	2012	Q1	78,253.47			78,253.47	1.47%	95.86	1,034.04
	Feb-12	2012	Q1	78,253.47			78,253.47	1.47%	95.86	1,129.90
	Mar-12	2012	Q1	78,253.47			78,253.47	1.47%	95.86	1,225.76
	Apr-12	2012	Q2	78,253.47			78,253.47	1.47%	95.86	1,321.62
	May-12	2012	Q2	78,253.47			78,253.47	1.47%	95.86	1,417.49
	Jun-12	2012	Q2	78,253.47			78,253.47	1.47%	95.86	1,513.35
	Jul-12	2012	Q3	78,253.47			78,253.47	0.00%	-	1,513.35
	Aug-12	2012	Q3	78,253.47			78,253.47	0.00%	-	1,513.35
	Sep-12	2012	Q3	78,253.47			78,253.47	0.00%	-	1,513.35
	Oct-12	2012	Q4	78,253.47			78,253.47	0.00%	-	1,513.35
	Nov-12	2012	Q4	78,253.47			78,253.47	0.00%	-	1,513.35
	Dec-12	2012	Q4	78,253.47			78,253.47	0.00%	-	1,513.35
				\$ 8,942.62	\$ 69,310.85	\$ 78,253.47				



**Ontario Energy Board**  
**Smart Meter Model**

Hydro Hawkesbury 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	\$ -	\$ -	\$ -	\$ -	4.73%	\$ -
2008	\$ -	\$ -	\$ -	\$ -	3.98%	\$ -
2009	\$ -	\$ 6,069.61	\$ 6,069.61	\$ 3,034.80	1.14%	\$ 34.52
2010	\$ 5,242.83	\$ 22,493.35	\$ 33,805.79	\$ 19,937.70	0.80%	\$ 159.00
2011	\$ 3,699.79	\$ 40,747.89	\$ 78,253.47	\$ 56,029.63	1.47%	\$ 823.64
2012	\$ 5,957.52	\$ 48,648.29	\$ 132,859.28	\$ 105,556.37	1.47%	\$ 1,551.68
Cumulative Interest to 2011						\$ 1,017.16
Cumulative Interest to 2012						\$ 2,568.84





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

Check if applicable

- ☐ Smart Meter Funding Adder (SMFA)
- ☒ Smart Meter Disposition Rider (SMDR)

The SMDR is calculated based on costs to December 31, 2011
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

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)	\$ -	\$ -	\$ -	\$ 13,444.02	\$ 53,224.98	\$ 83,108.70	\$ 97,052.28	\$ 246,829.98
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check <b>one</b> of the boxes below)	\$ -	\$ -	\$ -	\$ 34.52	\$ 159.00	\$ 823.64		\$ 1,017.16
<input type="checkbox"/> Sheet 8A (Interest calculated on monthly balances)								\$ -
<input checked="" type="checkbox"/> Sheet 8B (Interest calculated on average annual balances)	\$ -	\$ -	\$ -	\$ 34.52	\$ 159.00	\$ 823.64		\$ 1,017.16
SMFA Revenues (from Sheet 8)	\$ 9,330.14	\$ 16,549.83	\$ 16,647.39	\$ 44,006.96	\$ 82,356.96	\$ 97,527.38	\$ 40,384.76	\$ 306,803.42
SMFA Interest (from Sheet 8)	\$ 90.72	\$ 778.31	\$ 1,278.70	\$ 564.60	\$ 998.42	\$ 3,100.99	\$ 2,105.59	\$ 8,917.33
Net Deferred Revenue Requirement	-\$ 9,420.86	-\$ 17,328.14	-\$ 17,926.09	-\$ 31,093.02	-\$ 29,971.40	-\$ 16,696.03	\$ 54,561.93	-\$ 67,873.61
Number of Metered Customers (average for 2012 test year)							5530	

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

Years for collection or refunding	2	
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 150,794.86	
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 315,720.75	
Net Deferred Revenue Requirement	-\$ 164,925.89	} Match
SMDR May 1, 2012 to April 30, 2014	-\$ 1.24	
Check: Forecasted SMDR Revenues	-\$ 164,572.80	

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

Incremental Revenue Requirement for 2012	\$ 97,052.28	
SMIRR	\$ 1.46	} Match
Check: Forecasted SMIRR Revenues	\$ 96,885.60	

Hydro Hawkesbury Inc.

	2009	2010	2011		Total 2009 to 2011	Explanation Allocator	ID and Factors	Total	Residential	General Service Less than 50 kW
Revenue Requirement for the Historical Years	\$13,478.54	\$53,383.98	\$83,932.34		\$150,794.86					
Total Return on Capital	\$6,543.50	\$24,028.73	\$39,073.11		\$69,645.35	Smart Meter - Capital		100.00%	81.22%	18.78%
					Allocated per Class			\$69,645.35	\$56,563.40	\$13,081.95
Amortization	\$6,104.13	\$22,652.35	\$41,571.52		\$70,328.01	Smart Meter - Capital		100.00%	81.22%	18.78%
					Allocated per Class			\$70,328.01	\$57,117.83	\$13,210.18
Operating Expenses	\$0.00	\$5,242.83	\$3,699.79		\$8,942.62	Number of Smart Meters Installed for each Class		5,381	4,803	578
					Allocated per Class			\$8,942.62	\$7,982.05	\$960.57
Grossed-up Taxes/PILs	\$830.92	\$1,460.06	-\$412.09		\$1,878.89	Revenue Requirement allocated to each Class before PILs		\$148,915.97	\$121,663.27	\$27,252.70
					Allocated per Class			\$1,878.89	\$1,535.04	\$343.85
								Total	Residential	General Service Less than 50 kW
TOTAL REVENUE REQUIREMENT					\$150,794.86			\$150,794.86	\$123,198.31	\$27,596.55
Percentage of costs allocated to Residential and GS < 50 kW customer classes								100.00%	81.70%	18.30%
Revenue Generated from Smart Meter Funding Adder					\$315,720.75					
Revenues Generated from SMFA					\$315,720.75				\$ 270,730.38	\$ 44,990.37
Net Deferred Revenue Requirement					-\$164,925.89					
Allocated per Class								-\$164,925.89	-\$147,532.06	-\$17,393.82
Number of Metered Customers (2012)									4,803	578
Smart Meter Disposition Rate Rider									-\$1.28	-\$1.25

Smart Meter Funding Adder Revenues  
Year

Number of customers  
Residential GS < 50 kW Other Metered

Estimated SMFA Revenues  
Residential GS < 50 kW Other Metered Total

Customer Classes					Customer Classes				
2006 (May 1, 2006)	4,803	578	0	\$ 8,408.92	\$ 1,011.94	\$ -	\$ 9,420.86		
2007	4,803	578	0	\$ 15,466.84	\$ 1,861.30	\$ -	\$ 17,328.14		
2008	4,803	578	0	\$ 16,000.56	\$ 1,925.53	\$ -	\$ 17,926.09		
2009	4,803	578	0	\$ 38,777.26	\$ 5,794.30	\$ -	\$ 44,571.56		
2010	4,803	578	0	\$ 66,517.59	\$ 16,837.79	\$ -	\$ 83,355.38		
2011	4,803	578	0	\$ 88,389.17	\$ 12,239.20	\$ -	\$ 100,628.37		
2012 (to April 30, 2012)	4,803	578	0	\$ 37,170.04	\$ 5,320.31	\$ -	\$ 42,490.35		
				\$ 270,730.38	\$ 44,990.37	\$ -	\$ 315,720.75		



Rate Class	SMDR Two Year Recovery	SMIRR
Residential	(\$1.28)	\$1.38
General Service Less than 50 kW	(\$1.25)	\$2.56