



PUC Distribution Inc.
765 QUEEN STREET EAST, P.O. Box 9000
SAULT STE. MARIE, ONTARIO, P6A 6P2

August 2, 2012

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

Attention: Ms. Walli

**Re: PUC Distribution Inc.'s Smart Meter Final Disposition Application
Responses to Board Staff Comments on Draft Rate Order
EB-2012-0084**

On July 26, 2012 PUC filed a Draft Rate Order and Board Staff issued comments on PUC's Draft Rate Order on July 27, 2012. Board Staff noted that when calculating the smart meter true-up for each of the customer classes, PUC multiplied the overall true-up by the percentage of historical costs allocated to each class. As a result, the SMFA revenues were allocated to each class in proportion to overall historical smart meter deployment costs instead of being allocated on the basis of SMFA revenues actually collected from each rate class. Board Staff recalculated the class-specific SMDRs, using the approach approved by the Board in the Decision and Order, by taking the difference between the revenue requirement allocated to each class and the SMFA revenues collected from each class. PUC agrees with Board Staff comments including the calculations provided by Board Staff.

The primary contact for this application is Jennifer Uchmanowicz, Rates and Regulatory Affairs Officer. Phone number 705-759-3009 or email at Jennifer.Uchmanowicz@ssmpuc.com.

Sincerely,



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