PARRY SOUND POWER
125 WILLIAM STREET, PARRY SOUND, ONTARIO P2A 1V9
TELEPHONE: (705) 746-5866 • FAX: (705) 746-7789
Email: info@pspower.ca

A Member of: EDA
The Voice Of Ontario's Electricity Distributors

August 3, 2012

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Parry Sound Power Corporation – Licence #ED-2003-0006
2012 Smart Meter Prudence Review Application

Parry Sound Power is submitting a stand-alone application for Smart Meter Cost Recovery – Final Disposition using the Ontario Energy Boards Guideline (G-2011-0001) and the OEB Smart Meter Model V2.17.

An electronic copy of the application (PDF & excel) will be submitted through the OEB e-filing services and two hard copies via courier. All of the confidential materials submitted will be provided in a sealed envelope with the two hard copies.

If you have any questions, please contact the undersigned.

Yours truly,

Miles Thompson
Vice President, General Manager
Parry Sound Power Corporation
125 William Street
Parry Sound ON.
P2A 1V9
705-746-5866 Extension #24

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Parry Sound Power Corporation for an Order or Orders approving rates for smart meter cost recovery to be implemented January 1, 2013.

APPLICATION

1. The Applicant is Parry Sound Power Corporation ("Parry Sound"). Parry Sound is a licensed electricity distributor operating pursuant to license ED-2003-0006. Parry Sound distributes electricity to approximately 3,467 customers in the Town of Parry Sound.

2. Parry Sound hereby applies to the Ontario Energy Board (the "Board") for an order or orders approving recover of smart meter capital and OM&A costs related to minimum functionality and smart meter capital and OM&A costs incurred beyond minimum functionality, effective January 1, 2013.

3. The cost recovery is based on actual audited costs incurred until December 31, 2011 and forecasted costs to December 31, 2012.

4. The application for recovery of smart meter costs includes the following:

    a. Manager's Summary
    b. OEB Smart Meter Model V2.17
    c. Addendum 1 – Util-assist – CHEC Smart Meter Summary Report August 15, 2011
    d. Addendum 2 – Attestation Letter of the Fairness Commissioner
    e. Addendum 3 – Meter Deployment RFP
    f. Addendum 4 – Operational Data Store RFP
    g. Addendum 5 – Wide Area Network RFP
    h. Addendum 6 – Confidential Materials Filed with the Board

        - Meter Deployment RFP Evaluation
        - Operational Data Store RFP Evaluation
        - WAN RFP Evaluation
        - Meter Disposal RFI
        - Copies of contract with vendors

    i. Addendum 7 – Bill Impacts

Smart Meter Prudence Review Manager's Summary

1. Introduction:

This application is being filed by Parry Sound Power Corporation for smart meter cost recovery for the implementation of smart meters in the LDC's service area. The cost recovery is based on actual audited costs incurred to December 31, 2011 with interest costs, web presentment and other costs forecasted to December 31, 2012.

Parry Sound Power Corporation is specifically requesting the following:

1. Smart Meter Disposition Rate Rider (per metered customer per month) of $1.80 for two years (January 1, 2013 to December 31, 2014) for Residential customers and a Smart Meter Disposition Rate Rider (per metered customer per month) of $5.45 for two years (January 1, 2013 to December 31, 2014) for General Service < 50 kW customers. This rate rider reflects the Net Deferred Revenue Requirement of $190,107.26 being the difference between the Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 and the SMFA revenues collected from 2006 to May 31, 2011.

2. Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month) of $2.00 for two years (January 1, 2013 to December 31, 2014) for Residential customers and a Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month) of $5.21 for two years (January 1, 2013 to December 31, 2014) for General Service < 50 kW customers. This rate rider reflects the Incremental Revenue Requirement for 2012.

3. Parry Sound Power Corporation is not requesting recovery of the stranded meter costs. Stranded meter costs have been transferred to a sub-account of 1555 without carrying charges being applied going forward. Depreciation expenses for the stranded meters were not included in 2011 rates going forward. Stranded meters are in sub-account 1555 and will remain there and be dealt with in our next cost of service application.

Bill Impact Summary

Parry Sound Power Corporation has submitted the 2013 IRM3 Rate Application under Board file number EB-2012-0159. Shown in Table #1 below are the results of the distribution rate adjustments and overall bill impacts for Residential and General Service less than 50 kW customers from the IRM3 Application.

Table #1 – Bill Impacts Prior to Smart Meter Rate Riders

Class	kWh	Distribution Impact	Total Bill Impact
Residential	800	-7.16%	-1.91%
GS<50	2000	-10.33%	-2.05%

The bill impacts shown in Table #1 do not take into account the smart meter disposition rate rider and the smart meter incremental revenue requirement rate rider. As such, I have provided Table #2 below to show the distribution and bill impacts to residential and GS<50 kW customers with the smart meter rate riders included.

Table #2 – Bill Impacts with Smart Meter Rate Riders

Class	kWh	Distribution Impact	Total Bill Impact
Residential	800	4.23%	1.19%
GS<50	2000	8.77%	1.82%

The bill impacts for residential and general service customers are portrayed in more detail in Addendum 7 of the document.

2. Collaboration of LDCs:

Parry Sound Power Corporation participated with LDCs within the Cornerstone Hydro Electric Concepts Association (CHEC) to implement smart meters in a cost effective manner. The collaborative initiative assisted LDCs in the development of project plans, RFPs and contract evaluations. As part of the collaborative effort CHEC LDCs entered into a professional services agreement with Util-Assist Inc., an Ontario consulting firm specializing in metering solutions and technologies, to assist with the development of the project plan, RFPs, evaluations, award of contract, project monitoring, problem solving and reporting. The cost benefit of the services agreement was reviewed and renewed in January of 2010. Review documents are included in Addendum 6 as confidential material.

CHEC is a not-for-profit member owned organization that provides value added services to their Local Distribution Companies (LDC) members. CHEC strives to reduce LDC costs through sharing of knowledge and information as well as providing savings through joint purchasing of goods and services with its members.

The twelve LDCs which form CHEC represent a customer base of approximately 100,000 customers. The existing members in CHEC include the following LDCs:

Centre Wellington Hydro
COLLUS Power
Innisfil Hydro
Lakefront Utilities
Lakeland Power Distribution
Midland Power Utility
Orangeville Hydro
Parry Sound Power
Rideau St. Lawrence Distribution
Wasaga Distribution
Wellington North Power
West Coast Huron Energy.

Cornerstone Hydro Electric Concepts Association (CHEC) is an incorporated body that is governed by a Board of Directors. The Board of Directors and Executive are voluntary positions from staff of the member Local Distribution Companies (collectively, "LDCs" or "Member LDC's"). CHEC's vision is "to be recognized as the premier LDC Cooperative in the province, by meeting or exceeding member expectations through the sharing of services, opportunities, knowledge and resources." CHEC is built on sharing between LDCs through committees, staff and consultant positions, shared documents, specific working groups, combined projects and informal communications between members and staff. The Smart Meter Project represents one of these combine projects where LDCs working together achieve economies and successful implementation.

3. Status of Implementation of Smart Meters

Parry Sound Power has installed a total of 3357 meters as of December 31, 2011 which represents 100% of total meters. This application seeks the recovery of the revenue requirements in respect of these smart meters as follows:

Table #3 – Smart Meter Capital and OM&A Budget to Actual

Rate Filing	Budget	Actual	Variance
Minimum Functionality - Capital	$862,086.89	$847,551.69	-$14,535.20
Minimum Functionality - OM&A	$349,831.41	$78,047.07	-$271,784.34
Beyond Minimum Functionality - Capital	$120,727.97	$26,463.43	-$94,264.54
Beyond Minimum Functionality - OM&A	$48,990.93	$10,738.75	-$38,252.17
TOTAL	$1,381,637.19	$962,800.94	-$418,836.25

4. Recovery of Smart Meter Funding:

Since 2006 Parry Sound Power Corporation has been collecting funds associated with smart meter implementation. The basis for the recovery is outlined below:

- In the **2006** Decision and Order (EB-2005-0404) absent a specific plan or discrete revenue requirement, the Generic Decision provided $0.30 per month, per residential customer, to be added to Parry Sound Power Corporation's revenue requirement. The increase in the revenue requirement amount was allocated equally to all metered customers and recovered through their monthly service charge. The $0.30 per metered customer per month, effective May 1, 2006, was billed and the proceeds were credited in OEB Account 1555, Smart Meter Capital and Recovery Offset Variance Account.

- In the **2007** Decision and Order (EB-2007-0569), the Board approved an amount of $0.24 per month per metered customer for smart meter costs, effective May 1, 2007. The amount collected through the smart meter rate adder will be booked into the 1555 variance account.

- In the **2008** Decision (EB-2007-0825), Parry Sound Power Corporation requested the continuation of the smart meter rate adder previously approved by the Board in order to provide funding for possible future implementation of smart meter costs and to minimize future rate impacts. The Board approved the continuation of the rate adder of $0.24 per month per metered customer. The adder revenue was credited to 1555 smart meter variance account, effective May 1, 2008.

- In the **2009** Decision and Order (EB-2008-0378), Parry Sound Power Corporation reported that it was authorized to conduct smart meter activities because it had procured smart meters pursuant to and in compliance with the August 14, 2007 Request for Proposal issued by London Hydro Inc. The Board approved the funding adder of $1.00 per metered customer per month as proposed by Parry Sound Power. This adder was intended for LDC's in the early stages of planning and it effective May 1, 2009.

- In its **2010** Decision and Order (EB-2009-0207), Parry Sound Power Corporation requested the continuation of its standard smart meter funding adder of $1.00 per metered customer per month. The Board approved the funding adder proposed by Parry Sound Power Corporation with rates effective May 1, 2010.

- In its **2011** Rate Order (EB-2010-0140), Parry Sound Power Corporation was required to file a rate mitigation plan for Residential and GS < 50 customers because their bill impacts were greater than 10%, in order to adhere to the Board's 2006 *Electricity Distribution Rate Handbook* (RP-2004-0188). Parry Sound Power Corporation offered in its reply submission dated August 4, 2011 to remove the 2011 smart meter funding adder of $2.50 per metered customer per month that was originally requested, for rate mitigation purposes. The Board accepted the removal of the smart meter funding adder and there were no adders after this point.

5. Project Overview:

Addendum 1 is a project summary prepared by Util-Assist which outlines the various stages of the project and the due diligence undertaken at each step. The report, prepared on behalf of CHEC, outlines the details of each process, the RFPs undertaken, evaluations and the award of contracts.

CHEC LDCs recognized the benefits of collaboration early in the process through participation in the Ontario Utilities Smart Meter (OUSM) working group, to become educated on all aspects of the AMI initiative. Involvement in the OUSM group continued along with the engagement of Util-Assist for specific project management. The details of the implementation project and the prudence reviews are outlined in Addendum 1 and include:

- Participation in Ministry of Energy and Infrastructure authorized London Hydro AMI RFP process (establishing best practice procurement procedures)
- ODS RFP and award of contracts
- WAN RFP and award of contracts

- Meter Disposal RFP
- Installation Service Provider RFP and award of contracts.

The RFPs are included in the addendums however the evaluations for each RFP are included in the confidential materials which have been provided.

6. Project Specifics:

6.1. AMI Selection:

Based on the London Hydro AMI RFP process Parry Sound Power was awarded Silver Spring Networks, as the recommended preferred proponent, based on the highest ranking by the Fairness Commissioner. As a result of the delays that Parry Sound Power encountered since the beginning of negotiations with Silver Spring Networks, August 19, 2008, we decided to declare the negotiations unsuccessful and terminated as of October 27, 2008. As stipulated in the London RFP, vendors would be given two weeks to negotiate. Parry Sound Power Corporation gave Silver Springs more opportunity to respond to the contract negotiation package then provided for in the terms of the RFP.

Successful negotiations were held with the second ranked proponent, Elster Metering (Elster's Energy Axis AMI system), as determined by the Fairness Commissioner. Attached as Addendum 2 are copies of the Attestation of the Fairness Commissioner (AMI RFP) Letter, the letter to Silver Springs Networks terminating the contract negotiations, and a Record of Activities related to Contract Negotiations with Silver Spring Networks.

6.2. Meter Deployment:

Based on the RFP process and financial and technology evaluations it was determined that Trilliant most closely met the requirements for the mass deployment of meters. Addendum 3 contains the RFP for the award of contract.

Shortly after Triliant was selected as the winning proponent, Olameter acquired Trilliant resulting in Olameter providing the deployment services. The impact of this ownership change was evaluated and based on the existing relationship between Olameter and the LDCs and their performance in the industry, awarding the contract was deemed appropriate.

The deployment of meters was planned to start on May 22, 2009 and was scheduled to be completed by February 10, 2010. According to the Smart Meter Installation Contract, Schedule D (Schedule of work) May 25, 2009 to August 5, 2009 is when the mass smart meter installations occurred. By the end of 2009 2,748 Residential and 448 GS<50 kW meters were installed. According to Parry Sounds Project Plan with the MDM/R, the mass deployment was completed by October 14, 2009. In 2010 31 Residential and 64 GS<50 kW meters were installed. In 2011 63 Residential and 3 GS<50 kW meters were installed. Some small commercial and hard to access meters were completed by Parry Sound's staff during 2011. The 2011 meters installed included both new customer installations and replacement meters.

6.3. Operational Data Store (ODS) Functionality:

With the implementation of the AMI system a need was recognized for an application that supported full integration with the MDM/R and enabled staff to audit, validate, interact with and gain valuable business information from the wealth of meter data that was being collected. The AMI system, while fully capable of collecting meter read data and forwarding that raw data to the MDM/R, does not provide all of the functionality necessary to interpret and/or leverage the information it is providing in an educated and meaningful fashion. The ODS provides the following functions: stores operational data indefinitely, verifies readings, alarm filtering (Tamper, Outage), verifies power quality data, performs data gap analysis, and SLA management of the AMI system. Parry Sound Power decided to procure a system that was an Application Service Provider (ASP) model.

An RFP was issued for an operational data store (ODS) in November 2008. Following the RFP process, shortlisted vendors delivered software demonstrations, leading to the selection of Kinetiq as the preferred vendor with their ODS application. Addendum 4 contains the RFP for the award of contract.

The primary requirements and features of the operational data store (ODS) are:

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

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

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

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

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

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

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

6.4. WAN Vendor Selection Process:

Due to the fact that Parry Sound Power utilized Elster Energy Axis AMI network, there was a requirement to select a Wide Area Network (WAN) vendor to provide the communications backhaul for their AMI networks. CHEC members began the process for the procurement of a WAN solution in Q4 2008 and the objective was to select a WAN solution that would provide a method to enable the AMI to meet the Ministry of Energy and Infrastructure's Functional Specification for the timely delivery and reliable transmission of meter data. The RFP was released by CHEC on December 5, 2008 and a decision was made to select Bell/National Wireless as the provider January 30, 2009, with an anticipated start date of April 1, 2009.

7. Business Process Redesign

Throughout the latter half of 2010, the Util-Assist training team delivered a series of education sessions covering the MDM/R design specifications, meter read data, VEE and other billing processes, and the design of a testing/cutover strategy. LDCs have widely recognized that a number of business processes, including new account setup, meter installations, meter changes, move-in/move-out and final billing all require scrutiny and procedural modifications to ensure that MDM/R integrations are optimized. Actual business process redesign is an ongoing process leading up to and after cutover.

8. System Changes

Modifications or additional modules to the existing billing systems were undertaken as part of the smart meter deployment and implementation of time of use billing. It was fully expected that existing systems could be modified to accommodate as illustrated by the successful implementation of time of use billing in other LDCs. The required add-ons software modules and professional services for the existing system, to ensure the integration was completed in the defined regulatory timelines, were negotiated and implemented.

9. Integration with MDM/R

To assist with the integration to the provincial Meter Data Management Repository (MDM/R) staff attended relevant IESO training sessions as well as further training sessions provided by Util-Assist. Registration paperwork and integration project plan were filed with the IESO on September 15, 2010. AS2 connectivity software to facilitate data integration with the MDM/R was selected and installed in August 5, 2010 and connectivity testing was scheduled with the IESO for December 2, 2010. The project plan called for Unit Testing to be executed in May 25, 2011, and System Integration Testing (SIT) June 17, 2011 and Qualification Testing (QT) July 18, 2011, in preparation for cutover to live data transfer with the MDM/R by July 23, 2011. The ability to meet these targeted timelines was to a large extent contingent upon various software systems delivering the promised functionality and suppliers meeting their contractual obligations. Cutover to production was attained in July 28, 2011.

10. Transition to Time of Use Pricing

In mid-2010, the Ontario Government articulated an expectation that 1 million RPP customers would be billed using TOU pricing by the summer of 2011, rising to 3.6 million customers by June 2012. On June

24, 2011, the Ontario Energy Board issued a proposed determination regarding mandated time-of-use pricing for regulated price plan customers (Board File No. EB-2011-0218), suggesting that distributor-specific TOU dates would be the most appropriate approach, as it allows for the deadline to logically follow MDM/R enrolment activities.

In a letter dated August 4, 2010 regarding determination under Section 1.2.1 of the Standard Supply Service Code to Mandate TOU Pricing for Regulated Price Plan Consumers (EB-2010-0218), the OEB provided direction to all LDC's on mandated dates by which each distributor must bill RPP customers TOU pricing. Parry Sound Power's mandated date for TOU billing was September 1, 2011 for all residential and GS<50 kW customers. Parry Sound confirms that all of those customers were billed TOU pricing on the first full month of consumption after September 1, 2011.

11. Customer Education

Parry Sound Power hosted two information sessions for interested customers to educate them on how smart meters and TOU rates work; one during the deployment stage and the other session just before cutover to production. In the later part of 2009, Parry Sound held an information session to inform customers of the smart meter regulation and how they will be impacted. After installation customers received welcome packages delivered to their homes containing a welcome letter, a booklet outlining the important aspects of smart meters and TOU rates, resources for more information, and conservation tips and techniques.

On July 18th, 2011 Parry Sound hosted two Smart Meter Initiative Customer Update Meetings at the Bobby Orr Community Centre (morning and afternoon). James Douglas from Util-Assit came to give the presentation to anyone interested in the Parry Sound Area. He discussed what smart meters are, TOU pricing, when Parry Sound is moving to smart meter TOU rates (September 2011). TOU costs were giving for various household appliances. James Douglas explained smart meters, collectors, meter data collection, smart meter data repository, customer information and billing, home energy management, and many conservations tips and websites. The smart meter information session was advertised on MooseFM, Parry Sounds local radio station and also in the local paper inviting anyone interested to come attend.

Parry Sound Power put an article in the local paper regarding smart meters, TOU rates, implementation, conservation, etc. for anyone who could not attend the information sessions as well as bill inserts. Customers received a welcome letter in early August 2011 explaining the TOU periods and TOU rates along with a bill comparison of a billing period using RPP and TOU data. Parry Sound has set up meetings with customers that call in for further smart meter information and clarification.

12. Web Presentment

Parry Sound Power saw web presentment as another opportunity to work in co-operation with other LDC's for the delivery of web presentment for customers at reduced costs. After an extensive RFP process, Harris Northstar was chosen for this web presentment software tool. Parry Sound Power received a contract from Northstar Utilities Solutions on May 7, 2012 for a Customer/Connect – Customer Engagement Suite. The Customer/Connect Suite is a portfolio of modules organized by Platform, Application and Add-ons functionality. It will enable PSP's customers to gain access to high

value consumption data, to better understand their usage patterns, to educate themselves on rates and what affects them and for the communication to be better from the utility to the customer. The implementation fee for PSP is $15,000 for the following modules: Customer/Connect, CSR/Connect, Bill/Connect, CIS/Connect and Home/Connect. In addition to the implementation fee a monthly fee of approximately $257.96 will be incurred on an incremental on-going basis.

The Ministry of Energy has indicated that electricity customers should ideally have web access to their hourly consumption data. This will allow customer to monitor consumption, alter consumption, make informed decision, conserve, budget, etc. To date Parry Sound Power has not signed the contract and will not unless PSP can recover the costs through this smart meter application. Parry Sound has only included the $15,000 in the application.

13. Annual Security Audit:

With the mass deployment of AMI systems, security of the AMI network is critical to prevent utilities from becoming susceptible to new levels of potential security breaches and to ensure customer privacy and acceptance of the network. By installing network infrastructure in the field, there is now a requirement for additional security measures in order to ensure that utility data and equipment are kept secure from manipulation or other forms of control. As networks are deployed throughout the world, cyber security articles and reports with reports of the potential for smart-grid hacking are becoming commonplace in the media. The minimum Functional Specification for an Advanced Metering Infrastructure (AMI) released in July 2006 identified the need for security within the AMI network – Section 2.11 Security and Authentication: "The AMI shall have security features to prevent unauthorized access to the AMI and meter data and to ensure authentication to all AMI elements." Some of the privacy and network security infrastructure concerns that have been raised include:

- Monitoring a consumer's usage;
- Modifying one's own, or another consumer's usage;
- Interrupting the power of one or more consumers; and
- Tampering with demand side management tools which can be controlled through smart meters.

Since early 2009, Ontario utilities have been working with their smart meter providers to understand the security features of the networks, best practices for their deployment and new features that are being developed for future implementation within the smart meter networks. In November 2009 the Information and Privacy Commissioner of Ontario released the report Smart Privacy for the Smart Grid which identified areas of concern to be addressed in the area of smart meter and smart grid devices.

Going forward, annual security audit has been budgeted, as this is a prudent approach to satisfying the due diligence requirements for protection not only of the customer information, but also to ensure that access to the infrastructure is properly protected, thereby securing against unwanted modifications to data collection and/or load-control functionality. Security of the network and ensuring that customer data is protected at all times has resulted in the development of governance standards requiring extensive security measures such as NERC (North American Electric Reliability Corporation). The NERC reliability standards are developed by the electricity industry using a balanced, open, fair and inclusive process managed by the NERC Standards Committee.

For many Ontario LDCs, including Parry Sound Power, completing a security audit at a NERC, NIST (Network Information Security & Technology) or comparable level would be a cost-prohibitive exercise. Therefore a consortium of Ontario Util-Assist LDC customers have worked together in the issuance of the November 2010 "Smart Meter Network Security Audit Services" Request for Proposal.

The objective of the RFP is to select an audit partner who would complete a security audit of the Elster AMI systems for consortium members with Elster technology in place, and to the work with Elster towards the implementation of viable countermeasures to resolve all security concerns. The selected audit firm will first complete an in-depth security review at one participating utility that has the Elster solution. Once this review is complete, the audit firm would then review the technology at all remaining participating utilities to confirm that their Elster AMI systems are configured to the same standard as that declared as the standard for the group audit. Audits are anticipated to include end-to-end from the meter to utility systems and home area network.

N-Dimension Solutions was contracted by a consortium of 18 LDC's in Ontario to perform a detailed Cyber Security Audit of Elster's Advanced Metering Infrastructure (AMI) technology. This cyber security assessment was performed on several areas of Elster's operations. The assessment was based on the NISTIR 7628 document and NERC CIP standards. N-Dimension created a report to Parry Sound Power October 21, 2011 that stated a description of the risks and vulnerabilities identified in the audit process, recommendations were made for both Elster and PSP. With regards to Mesh Network/NAN Integrity it was recommended that PSP upgrade to the latest Elster versions to enable encryption, which is extremely important for the privacy of customer data and to reduce the chances that an attacker can participate on the network. Gatekeeper enclosures should be locked and should be mounted as high as feasible to reduce the likelihood of a malicious attacker obtaining a gatekeeper. Auxiliary encryption mechanisms should be used. HAN technology deployed may increase the overall attack surface of their network.

14. Copies of Agreements

The following agreements are being filed with the Board Secretary on a confidential basis:

Advanced Metering Infrastructure Services Agreement between Parry Sound Power and Elster Inc.;

Smart Meter Installation Agreement between Parry Sound Power and Olameter Inc; and

Operational Data Store Agreement between Parry Sound Power and Kinetiq Inc.;

RFP evaluations which include the pricing from each vendor.

Elster Inc., Olameter Inc. and Kinetiq Inc. are corporations which are engaged in competitive businesses. The disclosure of the terms of these agreements could reasonably be expected to prejudice the economic interests, competitive positions and cause undue financial interests of Elster Inc., Kinetiq and Olameter respectively, since it would enable their competitors to ascertain the scope and pricing of services provided by these companies. The Board's Practice Direction on Confidential Filings (the "Practice Direction") recognizes that these are among the factors that the Board will take into

consideration when addressing the confidentiality of filings. They are also addressed in section 17(1) of the Freedom of Information and Protection of Privacy Act ("FIPPA"), and the Practice Direction notes (at Appendix C of the Practice Direction) that third party information as described in subsection 17(1) of FIPPA is among the types of information previously assessed or maintained by the Board as confidential. Accordingly, Parry Sound Power requests that these Agreements be kept confidential.

Parry Sound Power is prepared to provide copies of the Agreements to parties' counsel and experts or consultants provided that they have executed the Board's form of Declaration and Undertaking with respect to confidentiality and that they comply with the Practice Direction, subject to Parry Sound Power's right to object to the Board's acceptance of a Declaration and Undertaking from any person.

In keeping with the requirements of the Practice Direction, Parry Sound Power is filing confidential unredacted versions of the Agreements under separate cover, in a sealed envelope marked "Confidential".

15. Justification for Functionality that Exceeds Minimum Functionality:

The installed meters and systems do not exceed the minimum functionality as specified in O. Reg. 425/06. Parry Sound Power Corporation has incurred costs beyond minimum functionality for integration with the MDM/R, TOU rate implementation, and forecasted web presentment.

16. Cost Variance:

Table #4 is a summary comparison of actual costs to budgeted costs for Smart Meter Capital and OM&A.

Table #4 – Actual to Budget Cost Comparison for Smart Meter Capital and OM&A

Rate Filing	Category	Budget	Actual	Variance
1.1 Advanced Metering Communication Device (AMCD)				
1.1.1 Smart Meter	1.1.1	$421,073.21	$347,175.15	-$73,898.06
1.1.2 Installation Costs	1.1.2	$65,453.03	$76,830.46	$11,377.43
1.1.3a Workforce Automation Hardware	1.1.3a	$3,192.82	$3,240.00	$47.18
1.1.3b Workforce Automation Software	1.1.3b	$0.00	$0.00	$0.00
1.2 Advanced Metering Regional Collector (AMRC) (includes LAN)				
1.2.1 Collectors	1.2.1	$9,402.45	$16,457.88	$7,055.43
1.2.2 Repeaters	1.2.2	$0.00	$838.47	$838.47
1.2.3 Installation	1.2.3	$20,358.36	$44,767.23	$24,408.87
1.3 Advanced Metering Control Computer (AMCC)				
1.3.1 Computer Hardware	1.3.1	$0.00	$14,544.26	$14,544.26
1.3.2 Computer Software	1.3.2	$91,745.14	$91,389.21	-$355.93
1.3.3 Computer Software License & Installation (includes hardware & sof	1.3.3	$0.00	$53,030.00	$53,030.00
1.4 Wide Area Network (WAN)				
1.4.1 Activation Fees	1.4.1	$0.00	$35,520.92	$35,520.92
1.5 Other AMI Capital Costs Related to Minimum Functionality				
1.5.1 Customer Equipment (including repair of damaged equipment)	1.5.1	$0.00	$0.00	
1.5.2 AMI Interface to CIS	1.5.2	$8,351.70	$8,100.00	-$251.70
1.5.3 Professional Fees	1.5.3	$121,380.00	$113,530.18	-$7,849.82
1.5.4 Integration	1.5.4	$24,756.98	$13,745.93	-$11,011.05
1.5.5 Program Management	1.5.5	$86,524.20	$28,382.00	-$58,142.20
1.5.6 Other AMI Capital	1.5.6	$9,849.00	$0.00	-$9,849.00
2.1 Advanced Metering Communication Device (AMCD)				
2.1.1 Maintenance	2.1.1	$0.00	$0.00	$0.00
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)				
2.2.1 Maintenance	2.2.1	$0.00	$0.00	$0.00
2.3 Advanced Metering Control Computer (AMCC)				
2.3.1 Hardware Maintenance	2.3.1	$0.00	$1,810.10	$1,810.10
2.3.2 Software Maintenance	2.3.2	$75,096.43	$38,700.94	-$36,395.49
2.4 Wide Area Network (WAN)				
2.4.1 Wide Area Network (WAN)	2.4.1	$10,206.00	$5,343.59	-$4,862.41
2.5 Other AMI OM&A Costs Related to Minimum Functionality				
2.5.1 Business Process Redesign	2.5.1	$0.00	$0.00	$0.00
2.5.2 CustomerCommunication	2.5.2	$7,017.19	$5,476.27	-$1,540.92
2.5.3 Program Management	2.5.3	$20,412.00	$6,404.25	-$14,007.75
2.5.4 Change Management	2.5.4	$10,896.98	$617.57	-$10,279.41
2.5.5 Administration Cost	2.5.5	$135,482.81	$6,321.60	-$129,161.21
2.5.6 Other AMI Expenses	2.5.6	$90,720.00	$13,372.75	-$77,347.25
Costs with the Initiative Not Identified In the OEB Smart Meter Rate Adder Model				
Beyond minimum functionality	2	$169,718.89	$37,202.18	-$132,516.71
	Grand Total	**$1,381,637.19**	**$962,800.94**	**-$418,836.25**
Difference From Above				

16.1. Capital Cost Analysis:

1.1 Advanced Metering Communications Device (AMCD):
The variance in budget verses actual costs for the smarts meters is a result of Parry Sound having minimal defective meters and therefore additional costs were not incurred for removal and installation of defective meters, in which those costs were included in the budgeted amounts. Installation costs were higher than expected because there were many hard to change meters: very high, inside house, under deck, fenced in, covered, remote location etc. This caused additional costs to be incurred to change those meters.

1.2 Advanced Metering Regional Collector (AMRC):
Installation costs were higher than budgeted because Parry Sound hired Olameter to install the collectors rather than using internal staff due to the level of expertise required to install.

1.3 Advanced Metering Control Computer (AMCC):
The budgeted amount for computer hardware was $0 and the actual amount spent was $14,544.26, which $13,757.04 was for Dell Servers MAS and $787.22 for a Bluetree 6600 Modem from National Wireless. It was a necessity to purchase a backup server and modem due to smart meters and the additional data requirements. Software costs were pretty close to budgeted amounts. A software server and license was purchased for $53,030 which was a requirement but not included in the budget.

1.4 Wide Area Network (WAN):
As mentioned above due to the fact that Parry Sound Power utilized Elster Energy Axis AMI network, there was a requirement to select a Wide Area Network (WAN) vendor to provide the communications backhaul for the AMI networks. It costs $2,120.92 for the installation of WAN from National Wireless and $33,400 for the implementation for private/static IP.

1.5 Other AMI Capital Costs Related to Minimum Functionality:
Program management and other AMI capital were a lot less under budget probably because Parry Sound did not know what costs could be included in these categories and expensed them.

16.2. Operations and Maintenance Cost Analysis:

2.3 Advanced Metering Control Computer (AMCC):
Software maintenance was significantly under-budgeted because some items were expensed that should have been recorded here.

2.4 Wide Area Network (WAN):

Costs were less than budgeted because most of the WAN costs were capitalized.

2.4 Other AMI Capital Costs Related to Minimum Functionality:
Significantly less than budgeted was recorded because every cost was capitalized until Parry Sound Power cut-over to production which was in July 2011. No administration costs were recorded because there was no incremental administration labour costs as new employees were not hired just to complete the additional administration work required for smart meters.

16.3 Stranded Meter Costs

Parry Sound Power Corporation is not seeking disposition of its stranded meter costs. The Board found that the issue of stranded meter costs for Parry Sound be dealt with in a future proceeding as it appeared that the evidence on the issue was not complete, as per Decision and Order EB-2010-0140. As of December 31, 2011, Parry Sound Power Corporation had replaced 3,357 conventional meters with smart meters. The net book value of the stranded conventional meters at December 31, 2010 was $137,359.98. Parry Sound Power has the net book value of the stranded meters in a sub-account of 1555, no longer amortizes the meters, does not record carrying charges, and will be dealt with in the next cost of service application.

17 Smart Meter Rate Rider:

Parry Sound Power Corporation is therefore requesting a two year Smart Meter Disposition Rate Rider of $1.80 per Residential customer per month and a two year Smart Meter Disposition Rate Rider of $5.45 per General Service < 50 kW customer per month. Parry Sound Power is also requesting a Smart Meter Incremental Revenue Requirement Rate Rider of $2.00 per Residential customer per month and $5.21 per General Service < 50 kW customer per month.

Parry Sound Power has completed the Smart Meter Model V2.17 provided by the OEB in accordance with the instructions provided by board staff, a copy of the model is filed in excel and as a pdf with this application. This model provides the SMDR and SMIRR based on all metered customers; Parry Sound would like to allocate the costs in a similar approach to PowerStream's 2010 smart meter application (EB-2010-0209), as suggested by the Board. The methodology for allocating the rate riders to the two different customer classes is provided below:

a. Allocation of the total revenue requirement, using the following cost allocation methodology:
   - Allocation of the return (deemed interest plus return on equity) and amortization based on a CWMC (ie. Customer Weighted Meter Cost) that reflects the average actual cost of installing smart meters for the Residential and General Service < 50 kW classes. As shown in appendix 8, the average Parry Sound Power cost of

installing a smart meter for the Residential class is $84.89 and $294.93 for the General Service<50 kW class.

- Allocate the OM&A based on the number of meters installed for each class
- Allocate PILs based on the revenue requirement allocated to each class before PILs

b. Sum the allocated amounts and calculate the percentages of costs allocated to customer rate classes.
c. Subtract the revenues generated from the smart meter funding adder from the overall revenue requirement.
d. Allocate the amount calculated in part c by using the allocation factors derived in part b.
e. To calculate the smart meter disposition rider, divide the allocated amount by rate class derived in part f.
f. By the number of customers in each class, and then divide by 24 (months).

This allocation method was used to calculate the Disposition Rate Rider (Table #5) and the Incremental Revenue Requirement Rate Rider (Table #6). Table #5 below summarizes the calculation of the Disposition Rate Rider, based on costs to December 31, 2011. The total Revenue Requirement is $311,319.55 and once carrying charges and the Funding Adder from 2006 to May 31, 2011 are applied, the net recovery required is $190,107.26. Based on the calculations referred to above, this would result in a monthly disposition rate rider of $1.80 per Residential customer and $5.45 per GS<50 kW customer for a two year period.

Table #5 – Smart Meter Disposition Rate Rider

Calculated by Rate Class			
	Total	Residential	GS < 50
Allocators			
Parry Sound's Average Smart Meter Unit Cost	$ -	$ 84.89	$ 294.93
Smart Meter Cost	$ 393,145.33	$ 241,257.38	$ 151,887.95
Allocation of Smart Meter Costs	100.00%	61.37%	38.63%
Number of Meters Installed	3,357	2,842	515
Allocation of Number of meters installed	100.00%	84.66%	15.34%
Total Return (deemed interest plus return on equity)	$ 127,653.42	$ 78,335.74	$ 49,317.68
Amortization	$ 151,173.36	$ 92,768.97	$ 58,404.39
OM&A	$ 43,986	$ 37,238.30	$ 6,747.97
Revenue Requirement before PILs	$ 322,813.05	$ 208,343.01	$ 114,470.04
PILs	-$ 11,493.50	-$ 7,417.88	-$ 4,075.61
Total Revenue Requirement 2006 to 2011	$ 311,319.55	$ 200,925.13	$ 110,394.42
	100%	64.54%	35.46%
Smart Meter Rate Adder Revenues	-$ 117,939.43		
Carrying Charge SMFA	-$ 5,468.52		
Carrying Charge Deferred Expenses	$ 2,195.65		
Smart Meter True-up	$ 190,107.26	$ 122,694.91	$ 67,412.34
Metered Customers	3,357	2,842	515
Rate Rider to Recover Smart Meter Costs	$ 2.36	$ 1.80	$ 5.45

Table #6 displays the calculation for the Incremental Revenue Requirement Rate Rider, which is based on the methodology used in the Disposition Rate Rider calculations. Parry Sound Power is also requesting recovery of these costs over a two year period.

Table #6 – Smart Meter Incremental Revenue Requirement Rate Rider

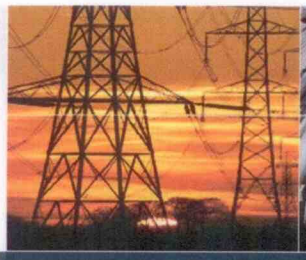
Calculated by Rate Class			
	Total	Residential	GS < 50
Allocators			
Parry Sound's Average Smart Meter Unit Cost		$ 84.89	$ 294.93
Smart Meter Cost	$ 393,145.33	$ 241,257.38	$ 151,887.95
Allocation of Smart Meter Costs	100.00%	61.37%	38.63%
Number of Meters Installed	3,357	2,842	515
Allocation of Number of meters installed	100.00%	84.66%	15.34%
Total Return (deemed interest plus return on equity)	$ 54,500.52	$ 33,444.76	$ 21,055.76
Amortization	$ 80,403.43	$ 49,340.33	$ 31,063.10
OM&A	$ 53,370	$ 45,182.57	$ 8,187.55
Revenue Requirement before PILs	$ 188,274.07	$ 127,967.66	$ 60,306.41
PILs	$ 12,874.34	$ 8,750.54	$ 4,123.80
Total Revenue Requirement 2006 to 2011	$ 201,148.41	$ 136,718.20	$ 64,430.21
Metered Customers	3,357	2,842	515
Rate Rider to Cover Smart Meter Costs	$ 2.50	$ 2.00	$ 5.21

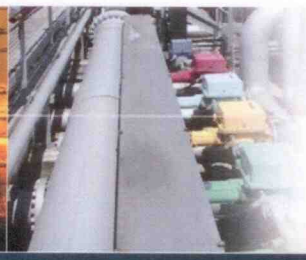
18 CONCLUSION:

Parry Sound Power believes it has achieved great economies of scale and has reduced costs as much as possible through collaboration with CHEC in the RFP processes. Parry Sound Power Corporation respectfully submits all costs incurred are necessary to fulfill the provincial governments mandated smart meter initiative and in accordance with the Board's guideline (G-2011-0001). The proposed rate rider bill impacts are both less than the maximum 10% and are thus just and reasonable. Therefore, Parry Sound Power believes the rate riders outlined to be appropriate for the Board to approve for implementation effective January 1, 2013.

OEB Smart Meter Model V2.17

(Please note that cell G74 in tab '9. SMFA_SMDR_SMIRR' is incorrect. The formula should be S46 x12 x G58 to account for the rate riders being applied over 2 years. Thus G74 should equal $2.50)





V 2.17PSP

Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Parry Sound Power Corporation
Peterborough Distribution Incorporated

Application Contact Information

Name:	Sylvia Roy
Title:	Finance & Regulatory Officer
Phone Number:	(705) 746-5866 ext. 30
Email Address:	sroy@pspower.ca
We are applying for rates effective:	January 1, 2013
Last COS Re-based Year	2011

Legend

DROP-DOWN MENU

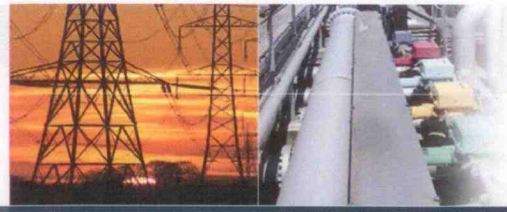
INPUT FIELD

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.



Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

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

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

Smart Meter Capital Cost and Operational Expense Data	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter Installation Plan								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential				2,748	31	63	0	2842
General Service < 50 kW				448	64	3	0	515
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	3196	95	66	0	3357
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	95.20%	98.03%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	3196	95	66	0	3357

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)	Asset Type (Asset type must be selected to enable calculations)	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast	Total
1.1.1 Smart Meters *(may include new meters and modules, etc.)*	Smart Meter				326,157		21,018		$ 347,175
1.1.2 Installation Costs *(may include socket kits, labour, vehicle, benefits, etc.)*	Smart Meter				34,850	28,657	13,324		$ 76,830
1.1.3a Workforce Automation Hardware *(may include fieldwork handhelds, barcode hardware, etc.)*	Computer Hardware				3,240				$ 3,240
1.1.3b Workforce Automation Software *(may include fieldwork handhelds, barcode hardware, etc.)*	Smart Meter								$ -
Total Advanced Metering Communications Devices (AMCD)		$ -	$ -	$ -	$ 364,246	$ 28,657	$ 34,342	$ -	$ 427,246

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)	Asset Type	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast	Total
1.2.1 Collectors	Smart Meter				4,983	3,030	8,445		$ 16,458
1.2.2 Repeaters *(may include radio licence, etc.)*	Smart Meter				838				$ 838

1.2.3 Installation *(may include meter seals and rings, collector computer hardware, etc.)*	Smart Meter				44,767				$ 44,767
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)		$ -	$ -	$ -	$ 50,589	$ 3,030	$ 8,445	$ -	$ 62,064

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.3.1 Computer Hardware	Computer Hardware				13,757	787			$ 14,544
1.3.2 Computer Software	Computer Software				2,282	67,210	21,898		$ 91,389
1.3.3 Computer Software Licences & Installation (includes hardware and software) *(may include AS/400 disk space, backup and recovery computer, UPS, etc.)*	Computer Software					53,030			$ 53,030
Total Advanced Metering Control Computer (AMCC)		$ -	$ -	$ -	$ 16,039	$ 121,027	$ 21,898	$ -	$ 158,963

1.4 WIDE AREA NETWORK (WAN)	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.4.1 Activiation Fees	Smart Meter				35,521				$ 35,521
Total Wide Area Network (WAN)		$ -	$ -	$ -	$ 35,521	$ -	$ -	$ -	$ 35,521

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.5.1 Customer Equipment *(including repair of damaged equipment)*	Other Equipment								$ -
1.5.2 AMI Interface to CIS	Computer Software				8,100				$ 8,100
1.5.3 Professional Fees	Smart Meter				57,716	26,327	29,487		$ 113,530
1.5.4 Integration	Smart Meter				4,830	7,200	1,716		$ 13,746
1.5.5 Program Management	Smart Meter				14,430	6,580	7,372		$ 28,382
1.5.6 Other AMI Capital	Smart Meter								$ -
Total Other AMI Capital Costs Related to Minimum Functionality		$ -	$ -	$ -	$ 85,076	$ 40,107	$ 38,575	$ -	$ 163,758
Total Capital Costs Related to Minimum Functionality		$ -	$ -	$ -	$ 551,471	$ 192,821	$ 103,260	$ -	$ 847,552

1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY *(Please provide a descriptive title and identify nature of beyond minimum functionality costs)*	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06	Computer Software								$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service	Applications Software								$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Smart Meter				7,111	3,023	7,759		$ 17,893
Total Capital Costs Beyond Minimum Functionality		$ -	$ -	$ -	$ 7,111	$ 3,023	$ 7,759	$ -	$ 17,893
Total Smart Meter Capital Costs		$ -	$ -	$ -	$ 558,581	$ 195,844	$ 111,019	$ -	$ 865,445

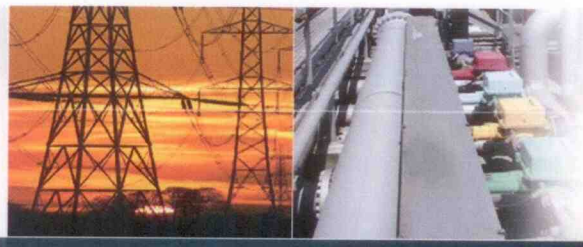
2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
2.1.1 Maintenance *(may include meter reverification costs, etc.)*								$ -
2.1.2 Other *(please specify)*								$ -
Total Incremental AMCD OM&A Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)								
2.2.1 Maintenance								$ -
2.2.2 Other *(please specify)*								$ -
Total Incremental AMRC OM&A Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)								
2.3.1 Hardware Maintenance *(may include server support, etc.)*					1,810			$ 1,810
2.3.2 Software Maintenance *(may include maintenance support, etc.)*				2,201	15,897	9,866	10,737	$ 38,701
2.3.2 Other *(please specify)*								$ -
Total Incremental AMCC OM&A Costs	$ -	$ -	$ -	$ 2,201	$ 17,707	$ 9,866	$ 10,737	$ 40,511
2.4 WIDE AREA NETWORK (WAN)								
2.4.1 WAN Maintenance				603	1,079	1,748	1,914	$ 5,344
2.4.2 Other *(please specify)*								$ -
Total Incremental AMRC OM&A Costs	$ -	$ -	$ -	$ 603	$ 1,079	$ 1,748	$ 1,914	$ 5,344
2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY								
2.5.1 Business Process Redesign								$ -
2.5.2 Customer Communication (may include project communication, etc.)						5,476		$ 5,476
2.5.3 Program Management							6,404	$ 6,404
2.5.4 Change Management (may include training, etc.)				154		463		$ 618
2.5.5 Administration Costs						379	5,943	$ 6,322
2.5.6 Other AMI Expenses *(please specify)*							13,373	$ 13,373
Total Other AMI OM&A Costs Related to Minimum Functionality	$ -	$ -	$ -	$ 154	$ -	$ 6,318	$ 25,720	$ 32,192
TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY	$ -	$ -	$ -	$ 2,959	$ 18,787	$ 17,932	$ 38,370	$ 78,047
2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY *(Please provide a descriptive title and identify nature of beyond minimum functionality costs)*	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.						4,309	15,000	$ 19,309
Total OM&A Costs Beyond Minimum Functionality	$ -	$ -	$ -	$ -	$ -	$ 4,309	$ 15,000	$ 19,309

Total Smart Meter OM&A Costs	$ -	$ -	$ -	$ 2,959	$ 18,787	$ 22,241	$ 53,370	$ 97,356

3 Aggregate Smart Meter Costs by Category

3.1	**Capital**									
3.1.1	Smart Meter	$ -	$ -	$ -	$ 531,203	$ 74,817	$ 89,121	$ -	$ 695,141	
3.1.2	Computer Hardware	$ -	$ -	$ -	$ 16,997	$ 787	$ -	$ -	$ 17,784	
3.1.3	Computer Software	$ -	$ -	$ -	$ 10,382	$ 120,240	$ 21,898	$ -	$ 152,519	
3.1.4	Tools & Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
3.1.5	Other Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
3.1.6	Applications Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
3.1.7	**Total Capital Costs**	**$ -**	**$ -**	**$ -**	**$ 558,581**	**$ 195,844**	**$ 111,019**	**$ -**	**$ 865,445**	
3.2	**OM&A Costs**									
3.2.1	**Total OM&A Costs**	**$ -**	**$ -**	**$ -**	**$ 2,959**	**$ 18,787**	**$ 22,241**	**$ 53,370**	**$ 97,356**	



Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

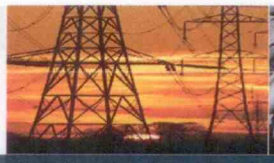
	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure[1]							
Deemed Short-term Debt Capitalization			0.0%	0.0%	0.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	60.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares	0.0%		0.0%		0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital Parameters							
Deemed Short-term Debt Rate			0.00%	0.00%	0.00%	2.46%	2.46%
Long-term Debt Rate (actual/embedded/deemed)[2]	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	8.57%	9.85%	9.58%	9.58%
Return on Preferred Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WACC	8.13%	8.13%	8.07%	7.82%	8.29%	7.99%	7.99%
Working Capital Allowance							
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(% of the sum of Cost of Power + controllable expenses)							
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
Depreciation Rates							
(expressed as expected useful life in years)							
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%
CCA Rates							
Smart Meters - CCA Class	47	47	47	47	47	47	47
Smart Meters - CCA Rate	8%	8%	8%	8%	8%	8%	8%
Computer Equipment - CCA Class	52	52	52	52	52	50	50
Computer Equipment - CCA Rate	100%	100%	100%	100%	100%	55%	55%
General Equipment - CCA Class	47	47	47	47	47	47	47
General Equipment - CCA Rate	8%	8%	8%	8%	8%	8%	8%
Applications Software - CCA Class	12	12	12	12	12	12	12
Applications Software - CCA Rate	100%	100%	100%	100%	100%	100%	100%

Assumptions

[1] *Planned smart meter installations occur evenly throughout the year.*

[2] *Fiscal calendar year (January 1 to December 31) used.*

3 *Amortization is done on a striaght line basis and has the "half-year" rule applied.*




Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

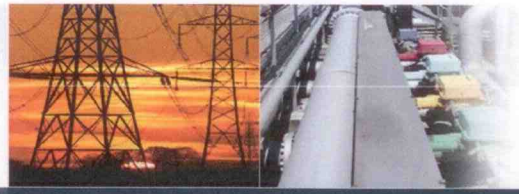
	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance	$ -	$ -	$ -	$ -	$ 531,203	$ 606,020	$ 695,141
Capital Additions during year (from Smart Meter Costs)	$ -	$ -	$ -	$ 531,203	$ 74,817	$ 89,121	$ -
Retirements/Removals (if applicable)							
Closing Balance	$ -	$ -	$ -	$ 531,203	$ 606,020	$ 695,141	$ 695,141
Accumulated Depreciation							
Opening Balance		$ -	$ -	$ -	-$ 17,707	-$ 55,614	-$ 98,986
Amortization expense during year	$ -	$ -	$ -	-$ 17,707	-$ 37,907	-$ 43,372	-$ 46,343
Retirements/Removals (if applicable)							
Closing Balance	$ -	$ -	$ -	-$ 17,707	-$ 55,614	-$ 98,986	-$ 145,329
Net Book Value							
Opening Balance	$ -	$ -	$ -	$ -	$ 513,496	$ 550,406	$ 596,155
Closing Balance	$ -	$ -	$ -	$ 513,496	$ 550,406	$ 596,155	$ 549,812
Average Net Book Value	$ -	$ -	$ -	$ 256,748	$ 531,951	$ 573,280	$ 572,983
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		$ -	$ -	$ -	$ 16,997	$ 17,784	$ 17,784
Capital Additions during year (from Smart Meter Costs)	$ -	$ -	$ -	$ 16,997	$ 787	$ -	$ -
Retirements/Removals (if applicable)							
Closing Balance	$ -	$ -	$ -	$ 16,997	$ 17,784	$ 17,784	$ 17,784
Accumulated Depreciation							
Opening Balance	$ -	$ -	$ -	$ -	-$ 1,700	-$ 5,178	-$ 8,735
Amortization expense during year	$ -	$ -	$ -	-$ 1,700	-$ 3,478	-$ 3,557	-$ 3,557
Retirements/Removals (if applicable)							
Closing Balance	$ -	$ -	$ -	-$ 1,700	-$ 5,178	-$ 8,735	-$ 12,292
Net Book Value							
Opening Balance	$ -	$ -	$ -	$ -	$ 15,297	$ 12,606	$ 9,050
Closing Balance	$ -	$ -	$ -	$ 15,297	$ 12,606	$ 9,050	$ 5,493
Average Net Book Value	$ -	$ -	$ -	$ 7,649	$ 13,952	$ 10,828	$ 7,271
Net Fixed Assets - Computer Software (including Applications Software)							
Gross Book Value							
Opening Balance		$ -	$ -	$ -	$ 10,382	$ 130,621	$ 152,519
Capital Additions during year (from Smart Meter Costs)	$ -	$ -	$ -	$ 10,382	$ 120,240	$ 21,898	$ -
Retirements/Removals (if applicable)							
Closing Balance	$ -	$ -	$ -	$ 10,382	$ 130,621	$ 152,519	$ 152,519
Accumulated Depreciation							
Opening Balance	$ -	$ -	$ -	$ -	-$ 1,038	-$ 15,138	-$ 43,452
Amortization expense during year	$ -	$ -	$ -	-$ 1,038	-$ 14,100	-$ 28,314	-$ 30,504
Retirements/Removals (if applicable)							
Closing Balance	$ -	$ -	$ -	-$ 1,038	-$ 15,138	-$ 43,452	-$ 73,956
Net Book Value							
Opening Balance	$ -	$ -	$ -	$ -	$ 9,343	$ 115,483	$ 109,067
Closing Balance	$ -	$ -	$ -	$ 9,343	$ 115,483	$ 109,067	$ 78,563
Average Net Book Value	$ -	$ -	$ -	$ 4,672	$ 62,413	$ 112,275	$ 93,815

Net Fixed Assets - Tools and Equipment

Gross Book Value								
Opening Balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Additions during year (from Smart Meter Costs)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirements/Removals (if applicable)								
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated Depreciation								
Opening Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization expense during year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirements/Removals (if applicable)								
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Book Value								
Opening Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Average Net Book Value	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Net Fixed Assets - Other Equipment

Gross Book Value								
Opening Balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Additions during year (from Smart Meter Costs)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirements/Removals (if applicable)								
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated Depreciation								
Opening Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization expense during year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirements/Removals (if applicable)								
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Book Value								
Opening Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Average Net Book Value	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

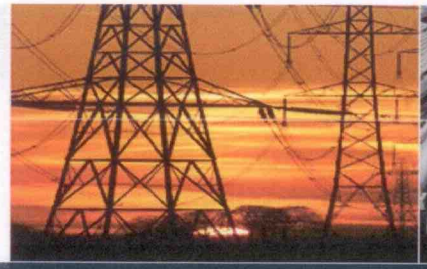


Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	$ -	$ -	$ -	$ 256,748	$ 531,951	$ 573,280	$ 572,983
Computer Hardware	$ -	$ -	$ -	$ 7,649	$ 13,952	$ 10,828	$ 7,271
Computer Software	$ -	$ -	$ -	$ 4,672	$ 62,413	$ 112,275	$ 93,815
Tools & Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Net Fixed Assets	**$ -**	**$ -**	**$ -**	**$ 269,068**	**$ 608,316**	**$ 696,383**	**$ 674,069**
Working Capital							
Operating Expenses (from Sheet 2)	$ -	$ -	$ -	$ 2,959	$ 18,787	$ 22,241	$ 53,370
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	$ -	$ -	$ -	$ 444	$ 2,818	$ 3,336	$ 8,006
Incremental Smart Meter Rate Base	**$ -**	**$ -**	**$ -**	**$ 269,512**	**$ 611,134**	**$ 699,719**	**$ 682,075**
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	$ -	$ -	$ -	$ -	$ -	$ 27,989	$ 27,283
Deemed Long Term Debt	$ -	$ -	$ -	$ 152,813	$ 366,680	$ 391,843	$ 381,962
Equity	$ -	$ -	$ -	$ 116,699	$ 244,454	$ 279,888	$ 272,830
Preferred Shares	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Capitalization	$ -	$ -	$ -	$ 269,512	$ 611,134	$ 699,719	$ 682,075
Return on							
Deemed Short Term Debt	$ -	$ -	$ -	$ -	$ -	$ 689	$ 671
Deemed Long Term Debt	$ -	$ -	$ -	$ 11,079	$ 26,584	$ 28,409	$ 27,692
Equity	$ -	$ -	$ -	$ 10,001	$ 24,079	$ 26,813	$ 26,137
Preferred Shares	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Return on Capital	$ -	$ -	$ -	$ 21,080	$ 50,663	$ 55,910	$ 54,501
Operating Expenses	$ -	$ -	$ -	$ 2,959	$ 18,787	$ 22,241	$ 53,370
Amortization Expenses (from Sheet 4)							
Smart Meters	$ -	$ -	$ -	$ 17,707	$ 37,907	$ 43,372	$ 46,343
Computer Hardware	$ -	$ -	$ -	$ 1,700	$ 3,478	$ 3,557	$ 3,557
Computer Software	$ -	$ -	$ -	$ 1,038	$ 14,100	$ 28,314	$ 30,504
Tools & Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Amortization Expense in Year	$ -	$ -	$ -	$ 20,445	$ 55,486	$ 75,243	$ 80,403
Incremental Revenue Requirement before Taxes/PILs	$ -	$ -	$ -	$ 44,483	$ 124,936	$ 153,394	$ 188,274
Calculation of Taxable Income							
Incremental Operating Expenses	$ -	$ -	$ -	$ 2,959	$ 18,787	$ 22,241	$ 53,370
Amortization Expense	$ -	$ -	$ -	$ 20,445	$ 55,486	$ 75,243	$ 80,403
Interest Expense	$ -	$ -	$ -	$ 11,079	$ 26,584	$ 29,097	$ 28,363
Net Income for Taxes/PILs	$ -	$ -	$ -	$ 10,001	$ 24,079	$ 26,813	$ 26,137
Grossed-up Taxes/PILs (from Sheet 7)	$ -	$ -	$ -	-$ 1,001.51	-$ 16,755.54	$ 6,263.56	$ 12,874.34
Revenue Requirement, including Grossed-up Taxes/PILs	$ -	$ -	$ -	$ 43,482	$ 108,180	$ 159,658	$ 201,148





Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

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	$ -	$ -	$ -	$ -	$ 509,954.73	$ 540,982.92	$ 583,260.43
Capital Additions	$ -	$ -	$ -	$ 531,202.84	$ 74,817.26	$ 89,120.98	$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	$ -	$ -	$ -	$ 531,202.84	$ 584,771.99	$ 630,103.90	$ 583,260.43
Half Year Rule (1/2 Additions - Disposals)	$ -	$ -	$ -	$ 265,601.42	$ 37,408.63	$ 44,560.49	$ -
Reduced UCC	$ -	$ -	$ -	$ 265,601.42	$ 547,363.36	$ 585,543.41	$ 583,260.43
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	$ -	$ -	$ -	$ 21,248.11	$ 43,789.07	$ 46,843.47	$ 46,660.83
Closing UCC	$ -	$ -	$ -	$ 509,954.73	$ 540,982.92	$ 583,260.43	$ 536,599.59

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	$ -	$ -	$ -	$ -	$ 13,689.27	$ 60,513.40	$ 43,107.17
Capital Additions Computer Hardware	$ -	$ -	$ -	$ 16,997.04	$ 787.22	$ -	$ -
Capital Additions Computer Software	$ -	$ -	$ -	$ 10,381.50	$ 120,239.58	$ 21,898.13	$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	$ -	$ -	$ -	$ 27,378.54	$ 134,716.07	$ 82,411.53	$ 43,107.17
Half Year Rule (1/2 Additions - Disposals)	$ -	$ -	$ -	$ 13,689.27	$ 60,513.40	$ 10,949.07	$ -
Reduced UCC	$ -	$ -	$ -	$ 13,689.27	$ 74,202.67	$ 71,462.47	$ 43,107.17
CCA Rate Class	52	52	52	52	52	50	50
CCA Rate	100%	100%	100%	100%	100%	55%	55%
CCA	$ -	$ -	$ -	$ 13,689.27	$ 74,202.67	$ 39,304.36	$ 23,708.95
Closing UCC	$ -	$ -	$ -	$ 13,689.27	$ 60,513.40	$ 43,107.17	$ 19,398.23

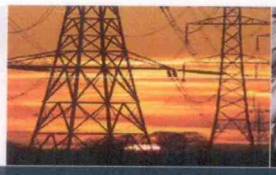
UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast

Opening UCC	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Additions Tools & Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Additions Other Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Half Year Rule (1/2 Additions - Disposals)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reduced UCC	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing UCC	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Additions Applications Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Half Year Rule (1/2 Additions - Disposals)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reduced UCC	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCA Rate Class	12	12	12	12	12	12	12
CCA Rate	100%	100%	100%	100%	100%	100%	100%
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing UCC	$ -	$ -	$ -	$ -	$ -	$ -	$ -



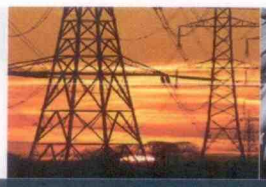

Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
INCOME TAX							
Net Income	$ -	$ -	$ -	$ 10,001.08	$ 24,078.68	$ 26,813.24	$ 26,137.11
Amortization	$ -	$ -	$ -	$ 20,444.62	$ 55,485.82	$ 75,242.92	$ 80,403.43
CCA - Smart Meters	$ -	$ -	$ -	-$ 21,248.11	-$ 43,789.07	-$ 46,843.47	-$ 46,660.83
CCA - Computers	$ -	$ -	$ -	-$ 13,689.27	-$ 74,202.67	-$ 39,304.36	-$ 23,708.95
CCA - Applications Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCA - Other Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in taxable income	$ -	$ -	$ -	-$ 4,491.68	-$ 38,427.24	$ 15,908.33	$ 36,170.77
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Income Taxes Payable	$ -	$ -	$ -	-$ 1,482.26	-$ 11,912.45	$ 4,494.10	$ 9,494.83
ONTARIO CAPITAL TAX							
Smart Meters	$ -	$ -	$ -	$ 513,496.08	$ 550,405.91	$ 596,154.85	$ 549,812.11
Computer Hardware	$ -	$ -	$ -	$ 15,297.34	$ 12,606.43	$ 9,049.57	$ 5,492.72
Computer Software (Including Application Software)	$ -	$ -	$ -	$ 9,343.35	$ 115,482.67	$ 109,066.77	$ 78,562.93
Tools & Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rate Base	$ -	$ -	$ -	$ 538,136.76	$ 678,495.01	$ 714,271.20	$ 633,867.76
Less: Exemption							
Deemed Taxable Capital	$ -	$ -	$ -	$ 538,136.76	$ 678,495.01	$ 714,271.20	$ 633,867.76
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)	$ -	$ -	$ -	$ 1,210.81	$ 508.87	$ -	$ -
Change in Income Taxes Payable	$ -	$ -	$ -	-$ 1,482.26	-$ 11,912.45	$ 4,494.10	$ 9,494.83
Change in OCT	$ -	$ -	$ -	$ 1,210.81	$ 508.87	$ -	$ -
PILs	$ -	$ -	$ -	-$ 271.45	-$ 11,403.57	$ 4,494.10	$ 9,494.83
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Change in Income Taxes Payable	$ -	$ -	$ -	-$ 2,212.32	-$ 17,264.41	$ 6,263.56	$ 12,874.34
Change in OCT	$ -	$ -	$ -	$ 1,210.81	$ 508.87	$ -	$ -
PILs	$ -	$ -	$ -	-$ 1,001.51	-$ 16,755.54	$ 6,263.56	$ 12,874.34





Ontario Energy Board

Smart Meter Model

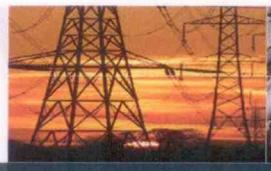
Parry Sound Power Corporation

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP
2006 Q1		
2006 Q2	4.14%	4.68%
2006 Q3	4.59%	5.05%
2006 Q4	4.59%	4.72%
2007 Q1	4.59%	4.72%
2007 Q2	4.59%	4.72%
2007 Q3	4.59%	5.18%
2007 Q4	5.14%	5.18%
2008 Q1	5.14%	5.18%
2008 Q2	4.08%	5.18%
2008 Q3	3.35%	5.43%
2008 Q4	3.35%	5.43%
2009 Q1	2.45%	6.61%
2009 Q2	1.00%	6.61%
2009 Q3	0.55%	5.67%
2009 Q4	0.55%	4.66%
2010 Q1	0.55%	4.34%
2010 Q2	0.55%	4.34%
2010 Q3	0.89%	4.66%
2010 Q4	1.20%	4.01%
2011 Q1	1.47%	4.29%
2011 Q2	1.47%	4.29%
2011 Q3	1.47%	4.29%
2011 Q4	1.47%	3.92%
2012 Q1	1.47%	3.92%
2012 Q2	1.47%	3.51%
2012 Q3	1.47%	3.51%
2012 Q4	1.47%	3.51%

Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
Jan-06	2006	Q1	$ -	$ -	0.00%	$ -	$ -		
Feb-06	2006	Q1	$ -	$ -	0.00%	$ -	$ -		
Mar-06	2006	Q1	$ -	$ -	0.00%	$ -	$ -		
Apr-06	2006	Q2	$ -	$ -	4.14%	$ -	$ -		
May-06	2006	Q2	$ -	$ 64.82	4.14%	$ -	$ 64.82		$ 0.30
Jun-06	2006	Q2	$ 64.82	$ 674.48	4.14%	$ 0.22	$ 739.52		$ 0.30
Jul-06	2006	Q3	$ 739.30	$ 756.02	4.59%	$ 2.83	$ 1,498.15		$ 0.30
Aug-06	2006	Q3	$ 1,495.32	$ 764.87	4.59%	$ 5.72	$ 2,265.91		$ 0.30
Sep-06	2006	Q3	$ 2,260.19	$ 747.83	4.59%	$ 8.65	$ 3,016.67		$ 0.30
Oct-06	2006	Q4	$ 3,008.02	$ 774.14	4.59%	$ 11.51	$ 3,793.67		$ 0.30
Nov-06	2006	Q4	$ 3,782.16	$ 761.30	4.59%	$ 14.47	$ 4,557.93		$ 0.30
Dec-06	2006	Q4	$ 4,543.46	$ 613.01	4.59%	$ 17.38	$ 5,173.85	$ 5,217.25	$ 0.30
Jan-07	2007	Q1	$ 5,156.47	$ 904.80	4.59%	$ 19.72	$ 6,080.99		$ 0.30
Feb-07	2007	Q1	$ 6,061.27	$ 760.34	4.59%	$ 23.18	$ 6,844.79		$ 0.30
Mar-07	2007	Q1	$ 6,821.61	$ 759.32	4.59%	$ 26.09	$ 7,607.02		$ 0.30
Apr-07	2007	Q2	$ 7,580.93	$ 761.20	4.59%	$ 29.00	$ 8,371.13		$ 0.30
May-07	2007	Q2	$ 8,342.13	$ 766.63	4.59%	$ 31.91	$ 9,140.67		$ 0.24
Jun-07	2007	Q2	$ 9,108.76	$ 769.98	4.59%	$ 34.84	$ 9,913.58		$ 0.24
Jul-07	2007	Q3	$ 9,878.74	$ 775.09	4.59%	$ 37.79	$ 10,691.62		$ 0.24
Aug-07	2007	Q3	$ 10,653.83	$ 779.86	4.59%	$ 40.75	$ 11,474.44		$ 0.24
Sep-07	2007	Q3	$ 11,433.69	$ 778.70	4.59%	$ 43.73	$ 12,256.12		$ 0.24
Oct-07	2007	Q4	$ 12,212.39	$ 778.53	5.14%	$ 52.31	$ 13,043.23		$ 0.24
Nov-07	2007	Q4	$ 12,990.92	$ 778.18	5.14%	$ 55.64	$ 13,824.74		$ 0.24
Dec-07	2007	Q4	$ 13,769.10	$ 777.63	5.14%	$ 58.98	$ 14,605.71	$ 9,844.20	$ 0.24
Jan-08	2008	Q1	$ 14,546.73	$ 780.22	5.14%	$ 62.31	$ 15,389.26		$ 0.24
Feb-08	2008	Q1	$ 15,326.95	$ 779.60	5.14%	$ 65.65	$ 16,172.20		$ 0.24
Mar-08	2008	Q1	$ 16,106.55	$ 779.54	5.14%	$ 68.99	$ 16,955.08		$ 0.24
Apr-08	2008	Q2	$ 16,886.09	$ 781.38	4.08%	$ 57.41	$ 17,724.88		$ 0.24
May-08	2008	Q2	$ 17,667.47	$ 781.96	4.08%	$ 60.07	$ 18,509.50		$ 0.24
Jun-08	2008	Q2	$ 18,449.43	$ 782.11	4.08%	$ 62.73	$ 19,294.27		$ 0.24
Jul-08	2008	Q3	$ 19,231.54	$ 781.29	3.35%	$ 53.69	$ 20,066.52		$ 0.24
Aug-08	2008	Q3	$ 20,012.83	$ 787.49	3.35%	$ 55.87	$ 20,856.19		$ 0.24
Sep-08	2008	Q3	$ 20,800.32	$ 785.47	3.35%	$ 58.07	$ 21,643.86		$ 0.24
Oct-08	2008	Q4	$ 21,585.79	$ 787.70	3.35%	$ 60.26	$ 22,433.75		$ 0.24
Nov-08	2008	Q4	$ 22,373.49	$ 791.08	3.35%	$ 62.46	$ 23,227.03		$ 0.24
Dec-08	2008	Q4	$ 23,164.57	$ 789.83	3.35%	$ 64.67	$ 24,019.07	$ 10,139.85	$ 0.24
Jan-09	2009	Q1	$ 23,954.40	$ 792.73	2.45%	$ 48.91	$ 24,796.04		$ 0.24
Feb-09	2009	Q1	$ 24,747.13	$ 788.94	2.45%	$ 50.53	$ 25,586.60		$ 0.24
Mar-09	2009	Q1	$ 25,536.07	$ 790.44	2.45%	$ 52.14	$ 26,378.65		$ 0.24
Apr-09	2009	Q2	$ 26,326.51	$ 786.98	1.00%	$ 21.94	$ 27,135.43		$ 0.24
May-09	2009	Q2	$ 27,113.49	$ 953.80	1.00%	$ 22.59	$ 28,089.88		$ 1.00
Jun-09	2009	Q2	$ 28,067.29	$ 2,936.11	1.00%	$ 23.39	$ 31,026.79		$ 1.00
Jul-09	2009	Q3	$ 31,003.40	$ 3,247.99	0.55%	$ 14.21	$ 34,265.60		$ 1.00
Aug-09	2009	Q3	$ 34,251.39	$ 3,254.76	0.55%	$ 15.70	$ 37,521.85		$ 1.00
Sep-09	2009	Q3	$ 37,506.15	$ 3,255.00	0.55%	$ 17.19	$ 40,778.34		$ 1.00
Oct-09	2009	Q4	$ 40,761.15	$ 3,279.83	0.55%	$ 18.68	$ 44,059.66		$ 1.00
Nov-09	2009	Q4	$ 44,040.98	$ 3,283.79	0.55%	$ 20.19	$ 47,344.96		$ 1.00
Dec-09	2009	Q4	$ 47,324.77	$ 3,264.57	0.55%	$ 21.69	$ 50,611.03	$ 26,962.10	$ 1.00
Jan-10	2010	Q1	$ 50,589.34	$ 3,278.14	0.55%	$ 23.19	$ 53,890.67		$ 1.00
Feb-10	2010	Q1	$ 53,867.48	$ 3,265.40	0.55%	$ 24.69	$ 57,157.57		$ 1.00
Mar-10	2010	Q1	$ 57,132.88	$ 3,517.69	0.55%	$ 26.19	$ 60,676.76		$ 1.00
Apr-10	2010	Q2	$ 60,650.57	$ 3,284.68	0.55%	$ 27.80	$ 63,963.05		$ 1.00
May-10	2010	Q2	$ 63,935.25	$ 3,287.03	0.55%	$ 29.30	$ 67,251.58		$ 1.00
Jun-10	2010	Q2	$ 67,222.28	$ 3,432.71	0.55%	$ 30.81	$ 70,685.80		$ 1.00
Jul-10	2010	Q3	$ 70,654.99	$ 3,335.35	0.89%	$ 52.40	$ 74,042.74		$ 1.00
Aug-10	2010	Q3	$ 73,990.34	$ 3,319.84	0.89%	$ 54.88	$ 77,365.06		$ 1.00
Sep-10	2010	Q3	$ 77,310.18	$ 3,322.93	0.89%	$ 57.34	$ 80,690.45		$ 1.00
Oct-10	2010	Q4	$ 80,633.11	$ 3,318.44	1.20%	$ 80.63	$ 84,032.18		$ 1.00
Nov-10	2010	Q4	$ 83,951.55	$ 3,332.48	1.20%	$ 83.95	$ 87,367.98		$ 1.00
Dec-10	2010	Q4	$ 87,284.03	$ 3,906.81	1.20%	$ 87.28	$ 91,278.12	$ 41,179.96	$ 1.00
Jan-11	2011	Q1	$ 91,190.84	$ 2,737.65	1.47%	$ 111.71	$ 94,040.20		$ 1.00
Feb-11	2011	Q1	$ 93,928.49	$ 3,323.43	1.47%	$ 115.06	$ 97,366.98		$ 1.00
Mar-11	2011	Q1	$ 97,251.92	$ 3,338.69	1.47%	$ 119.13	$ 100,709.74		$ 1.00
Apr-11	2011	Q2	$ 100,590.61	$ 3,345.10	1.47%	$ 123.22	$ 104,058.93		$ 1.00
May-11	2011	Q2	$ 103,935.71	$ 3,344.40	1.47%	$ 127.32	$ 107,407.43		$ 1.00
Jun-11	2011	Q2	$ 107,280.11	$ 3,917.05	1.47%	$ 131.42	$ 111,328.58		$ -
Jul-11	2011	Q3	$ 111,197.16	$ 3,338.66	1.47%	$ 136.22	$ 114,672.04		$ -
Aug-11	2011	Q3	$ 114,535.82	$ 3,364.59	1.47%	$ 140.31	$ 118,040.72		$ -
Sep-11	2011	Q3	$ 117,900.41	$ 34.02	1.47%	$ 144.43	$ 118,078.86		$ -
Oct-11	2011	Q4	$ 117,934.43	$ 1.00	1.47%	$ 144.47	$ 118,079.90		$ -
Nov-11	2011	Q4	$ 117,935.43	$ 4.00	1.47%	$ 144.47	$ 118,083.90		$ -
Dec-11	2011	Q4	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91	$ 28,330.83	$ -
Jan-12	2012	Q1	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Feb-12	2012	Q1	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Mar-12	2012	Q1	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Apr-12	2012	Q2	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
May-12	2012	Q2	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Jun-12	2012	Q2	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Jul-12	2012	Q3	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Aug-12	2012	Q3	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Sep-12	2012	Q3	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Oct-12	2012	Q4	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Nov-12	2012	Q4	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91		$ -
Dec-12	2012	Q4	$ 117,939.43	$ -	1.47%	$ 144.48	$ 118,083.91	$ 1,733.76	$ -
Total Funding Adder Revenues Collected				$ 117,939.43		$ 5,468.52	$ 123,407.95	$ 123,407.95	




Ontario Energy Board

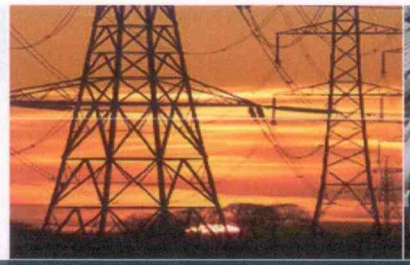
Smart Meter Model

Parry Sound Power Corporation

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

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

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	OM&A Expenses	Amortization / Depreciation Expense	Closing Balance (Principal)	(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	$ -			-	0.00%	-	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	-			-	0.00%	-	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	-			-	0.00%	-	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	-			-	4.14%	-	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	-			-	4.14%	-	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-			-	4.14%	-	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-			-	4.59%	-	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-			-	4.59%	-	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-			-	4.59%	-	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-			-	4.59%	-	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-			-	4.59%	-	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-			-	4.59%	-	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-			-	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-			-	4.59%	-	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-			-	4.59%	-	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-			-	4.59%	-	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-			-	4.59%	-	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-			-	4.59%	-	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	-			-	4.59%	-	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	-			-	4.59%	-	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-			-	4.59%	-	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-			-	5.14%	-	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-			-	5.14%	-	-
2011 Q4	1.47%	3.92%	Dec-07	2007	Q4	-			-	5.14%	-	-
2012 Q1	1.47%	3.92%	Jan-08	2008	Q1	-			-	5.14%	-	-
2012 Q2	1.47%	3.51%	Feb-08	2008	Q1	-			-	5.14%	-	-
2012 Q3	1.47%	3.51%	Mar-08	2008	Q1	-			-	5.14%	-	-
2012 Q4	1.47%	3.51%	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	-			-	2.45%	-	-
			Feb-09	2009	Q1	-			-	2.45%	-	-
			Mar-09	2009	Q1	-			-	2.45%	-	-
			Apr-09	2009	Q2	-			-	1.00%	-	-
			May-09	2009	Q2	-	$ 422.64		422.64	1.00%	-	-
			Jun-09	2009	Q2	422.64	$ 422.64		845.29	1.00%	0.35	0.35
			Jul-09	2009	Q3	845.29	$ 422.64		1,267.93	0.55%	0.39	0.74
			Aug-09	2009	Q3	1,267.93	$ 422.64		1,690.58	0.55%	0.58	1.32
			Sep-09	2009	Q3	1,690.58	$ 422.64		2,113.22	0.55%	0.77	2.10
			Oct-09	2009	Q4	2,113.22	$ 422.64	$ 6,206.46	8,742.33	0.55%	0.97	3.06
			Nov-09	2009	Q4	8,742.33	$ 422.64	$ 6,206.46	15,371.43	0.55%	4.01	7.07
			Dec-09	2009	Q4	15,371.43	$ 422.64	$ 6,206.46	22,000.53	0.55%	7.05	14.12
			Jan-10	2010	Q1	22,000.53	$ 1,565.57	$ 3,203.32	26,769.42	0.55%	10.08	24.20
			Feb-10	2010	Q1	26,769.42	$ 1,565.57	$ 3,203.32	31,538.31	0.55%	12.27	36.47
			Mar-10	2010	Q1	31,538.31	$ 1,565.57	$ 3,203.32	36,307.20	0.55%	14.46	50.92
			Apr-10	2010	Q2	36,307.20	$ 1,565.57	$ 3,421.96	41,294.72	0.55%	16.64	67.57
			May-10	2010	Q2	41,294.72	$ 1,565.57	$ 3,421.96	46,282.25	0.55%	18.93	86.49
			Jun-10	2010	Q2	46,282.25	$ 1,565.57	$ 3,421.96	51,269.78	0.55%	21.21	107.70
			Jul-10	2010	Q3	51,269.78	$ 1,565.57	$ 3,576.23	56,411.58	0.89%	38.03	145.73
			Aug-10	2010	Q3	56,411.58	$ 1,565.57	$ 3,576.23	61,553.37	0.89%	41.84	187.57
			Sep-10	2010	Q3	61,553.37	$ 1,565.57	$ 3,576.23	66,695.17	0.89%	45.65	233.22
			Oct-10	2010	Q4	66,695.17	$ 1,565.57	$ 4,387.46	72,648.20	1.20%	66.70	299.92
			Nov-10	2010	Q4	72,648.20	$ 1,565.57	$ 4,387.46	78,601.22	1.20%	72.65	372.56
			Dec-10	2010	Q4	78,601.22	$ 1,565.57	$ 4,387.46	84,554.24	1.20%	78.60	451.16
			Jan-11	2011	Q1	84,554.24	$ 1,853.41	$ 4,277.42	90,685.08	1.47%	103.58	554.74
			Feb-11	2011	Q1	90,685.08	$ 1,853.41	$ 4,277.42	96,815.91	1.47%	111.09	665.83
			Mar-11	2011	Q1	96,815.91	$ 1,853.41	$ 4,277.42	102,946.74	1.47%	118.60	784.43
			Apr-11	2011	Q2	102,946.74	$ 1,853.41	$ 4,353.46	109,153.61	1.47%	126.11	910.54
			May-11	2011	Q2	109,153.61	$ 1,853.41	$ 4,353.46	115,360.48	1.47%	133.71	1,044.26
			Jun-11	2011	Q2	115,360.48	$ 1,853.41	$ 4,353.46	121,567.35	1.47%	141.32	1,185.57
			Jul-11	2011	Q3	121,567.35	$ 1,853.41	$ 4,396.38	127,817.15	1.47%	148.92	1,334.49
			Aug-11	2011	Q3	127,817.15	$ 1,853.41	$ 4,396.38	134,066.94	1.47%	156.58	1,491.07
			Sep-11	2011	Q3	134,066.94	$ 1,853.41	$ 4,396.38	140,316.74	1.47%	164.23	1,655.30
			Oct-11	2011	Q4	140,316.74	$ 1,853.41	$ 4,865.11	147,035.26	1.47%	171.89	1,827.19
			Nov-11	2011	Q4	147,035.26	$ 1,853.41	$ 4,865.11	153,753.79	1.47%	180.12	2,007.31
			Dec-11	2011	Q4	153,753.79	$ 1,853.41	$ 4,865.11	160,472.31	1.47%	188.35	2,195.65
			Jan-12	2012	Q1	160,472.31			160,472.31	1.47%	196.58	2,392.23
			Feb-12	2012	Q1	160,472.31			160,472.31	1.47%	196.58	2,588.81
			Mar-12	2012	Q1	160,472.31			160,472.31	1.47%	196.58	2,785.39
			Apr-12	2012	Q2	160,472.31			160,472.31	1.47%	196.58	2,981.97
			May-12	2012	Q2	160,472.31			160,472.31	1.47%	196.58	3,178.55
			Jun-12	2012	Q2	160,472.31			160,472.31	1.47%	196.58	3,375.13
			Jul-12	2012	Q3	160,472.31			160,472.31	1.47%	196.58	3,571.70
			Aug-12	2012	Q3	160,472.31			160,472.31	1.47%	196.58	3,768.28
			Sep-12	2012	Q3	160,472.31			160,472.31	1.47%	196.58	3,964.86
			Oct-12	2012	Q4	160,472.31			160,472.31	1.47%	196.58	4,161.44
			Nov-12	2012	Q4	160,472.31			160,472.31	1.47%	196.58	4,358.02
			Dec-12	2012	Q4	160,472.31			160,472.31	1.47%	196.58	4,554.60
							$ 44,408.91	$ 116,063.40	$ 160,472.31			



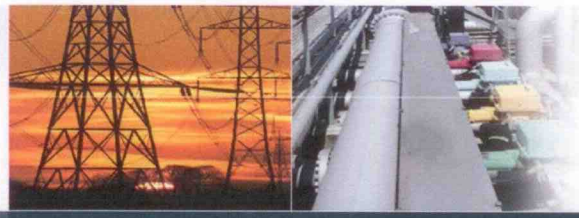

Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

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	$ 2,958.51	$ 20,444.62	$ 23,403.13	$ 11,701.56	1.14%	$ 133.11
2010	$ 18,786.81	$ 55,485.82	$ 97,675.75	$ 60,539.44	0.80%	$ 482.80
2011	$ 22,240.95	$ 75,242.92	$ 195,159.63	$ 146,417.69	1.47%	$ 2,152.34
2012	$ 53,370.12	$ 80,403.43	$ 328,933.18	$ 262,046.40	1.47%	$ 3,852.08
Cumulative Interest to 2011						$ 2,768.25
Cumulative Interest to 2012						$ 6,620.33



Ontario Energy Board

Smart Meter Model

Parry Sound Power Corporation

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)	
X	Smart Meter Disposition Rider (SMDR)	**The SMDR is calculated based on costs to December 31, 2011**
X	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)	$ -	$ -	$ -	$ 43,481.67	$ 108,180.09	$ 159,657.80	$ 201,148.41	$ 512,467.96
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check **one** of the boxes below)	$ -	$ -	$ -	$ 14.12	$ 437.05	$ 1,744.49		$ 2,195.65
X Sheet 8A (Interest calculated on monthly balances)	$ -	$ -	$ -	$ 14.12	$ 437.05	$ 1,744.49		$ 2,195.65
Sheet 8B (Interest calculated on average annual balances)								$ -
SMFA Revenues (from Sheet 8)	$ 5,156.47	$ 9,390.26	$ 9,407.67	$ 26,634.94	$ 40,601.50	$ 26,748.59	$ -	$ 117,939.43
SMFA Interest (from Sheet 8)	$ 60.78	$ 453.94	$ 732.18	$ 327.16	$ 578.46	$ 1,582.24	$ 1,733.76	$ 5,468.52
Net Deferred Revenue Requirement	-$ 5,217.25	-$ 9,844.20	-$ 10,139.85	$ 16,533.68	$ 67,437.18	$ 133,071.46	$ 199,414.65	$ 391,255.67
Number of Metered Customers (average for 2012 test year)							3357	

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	$ 313,515.21
SMFA Revenues collected from 2006 to 2012 test year (inclusive)	$ 123,407.95

Plus Simple Interest on SMFA Revenues				
Net Deferred Revenue Requirement		$	190,107.26	
SMDR	January 1, 2013 to December 31, 2014	$	2.36	Match
Check: Forecasted SMDR Revenues		$	190,140.48	

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

Incremental Revenue Requirement for 2012	$	201,148.41	
SMIRR	$	4.99	Match
Check: Forecasted SMIRR Revenues	$	201,017.16	

19 Addendum:

19.3 Addendum 1 — **Util Assist - CHEC Smart Meter Summary Report August 2011**

19.4 Addendum 2 — **Attestation Letter of the Fairness Commissioner**

19.5 Addendum 3 — **Meter Deployment RFP**

19.6 Addendum 4 — **Operational Data Store RFP**

19.7 Addendum 5 — **Wide Area Network RFP**

19.8 Addendum 6 — **Confidential Materials Filed with Board**

- Meter Deployment RFP Evaluation
- Operational Data Store RFP Evaluation
- WAN RFP Evaluation
- Copies of contract with vendors.

19.9 Addendum 7 — **Bill Impacts**

ADDENDUM 1

Util Assist – CHEC Smart Meter Summary Report August, 2011

ADDENDUM 2

Attestation Letter of the Fairness Commissioner



PRP International, Inc.

Fairness Advisory Services

August 1, 2008

Mr. Calvin Epps
President
Parry Sound Power Corporation
125 William Street
Parry Sound, ON P2A 1V9

Dear Mr. Epps:

Subject: Attestation of the Fairness Commissioner
Advanced Metering Infrastructure RFP, August-July 2008
London Hydro, Consortium & Add-On 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 Add-On 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 ***Parry Sound Power Corporation*** *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,

Original signed by:

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

PARRY SOUND POWER

125 WILLIAM STREET, PARRY SOUND, ONTARIO P2A 1V9
TELEPHONE: (705) 746-5866 • FAX: (705) 746-7789
Email: info@pspower.ca

A Member of: EDA
The Voice Of Ontario's Electricity Distributors

Parry Sound
Energy Services Corp.

Parry Sound
PowerGen Corp.

October 27, 2008

Attn: Steve Greene, Director, Sales
Silver Spring Networks
575 Broadway Street
Redwood City, CA
94063

Dear Mr. Greene,

As a result of the delays that we have encountered since beginning negotiations, on August 19, 2008, it is with regret that we have determined that further negotiations with Silver Spring Networks (SSN) would be unsuccessful under the terms of the RFP and our project priority. It was in good faith that we entered into contract talks with your organization.

The details of the communications and events that have transpired since August 19th have been included in the table attached to this letter. In summary, it has been over two months since negotiations began and we still have not received a response to our Contract Negotiation Package, which required your pricing information. Without this critical information, Contract Negotiations cannot occur. Accordingly, we have lost confidence in your ability to conclude contract talks in a timeframe which will allow us to succeed in our Smart Meter deployments.

As stipulated in the London RFP, vendors would be given two weeks to negotiate. We believe that we have afforded SSN more opportunity to respond to the contract negotiation package then would normally be reasonably expected in the market place or provided for in the terms of the RFP. The apparent deliberate and unreasonable stalling by SSN is not acceptable and it has now placed us in a situation where our ability to meet the Ontario mandated smart meter initiative is jeopardized. As a result of SSN's inability to meet contract negotiation deadlines, it is our decision to declare these negotiations unsuccessful and terminated as of this date.

Yours truly,

Miles Thompson
Vice President
Financial Officer
Parry Sound Power Corporation



Record of Activities related to Contract Negotiations with Silver Spring Networks:

Date	Action
Aug 8	Announced to SSN their success in being selected as number 1 vendor for 7 of our customers as a result of the London RFP; Util-Assist also requested a copy of SSN standard NDA and requested confirmation from SSN to meet with group on September 8th
Aug 12	SSN provided an NDA and we were introduced to Steve Greene as our liaison with SSN
Aug 12	Advised SSN that the NDA provided referenced US laws and that we required changes to reflect CDN laws
Aug 13	SSN provided a revised NDA
Aug 18	As a result of not receiving confirmation for a meeting on Sept 8, the date was not longer available and a few alternative dates were offered (Sept 9/10/11). We also provided SSN with the meter counts for each of the LDC's
Aug 18	More changes to NDA requested
Aug 19	Util-Assist provided to SSN: Contract Negotiation Package document, appendices and pricing spreadsheet. Again, alternative dates were provided for the kick-off meeting (Sept 9/10/12) as well as the agenda for the kick-off meeting outlining our expectation to see SSN responses to the Contract Negotiation Package including pricing, functionality response, compliancy spreadsheet as well as discussions regarding the terms and conditions. We also expressed our need to have the NDA's in place before confidential information could be shared
Aug 21	Util-Assist requested follow-up on date for Kick-off meeting
Aug 21	SSN confirmed receipt of Contract Negotiation Package and advised they were still working internally to confirm date for kick-off
Aug 21	Util-Assist followed up to confirm that all changes to NDA were submitted (email)
Aug 22	Util-Assist requested follow-up on date for Kick-off meeting
Aug 22	SSN declined the date options provided
Aug 22	Util-Assist advised the group new date options would be required
Aug 27	Util-Assist requested Sept 16th as the date for Kick-off meeting
Aug 27	Util-Assist followed up re changes to NDA – response from SSN was that they would get back to us
Aug 29	Util-Assist followed up with SSN as to their availability for Sept 16th Kick off meeting (which would include pricing)
Sept 3	Util-Assist followed up re dates left voicemail in AM and again in PM for both Steve Green and Kelly Dennegy
Sept 3	Received return call from Kelly Dennegy where James voiced concerns for Silver Spring's inability to coordinate a meeting date with us
Sept 5	SSN confirmed their availability for Sept 16th
Sept 5	Util-Assist provide Sept 16th meeting logistics, a purpose of the meeting (to review Contract Negotiation package (including pricing), an agenda, and requested a list of any information they may need for propagation studies etc). Again, advised that a revised NDA had not yet been finalized and this would need to be in place before confidential into is disclosed
Sept 5	SSN requested addresses for each of the LDC's for the revised NDA
Sept 5	Util-Assist provided LDC addresses for NDA
Sept 9	SSN advised of the information required to prepare a network layout
Sept 10	Util-Assist requested a sample PO and inquired as the availability of meters for immediate use (Measurement Canada requirements). Also requested the lead time required.

Sept 10	Util-Assist sent 2 of 7 signed NDA's to SSN
Sept 10	SSN advised lead time is 13 weeks
Sept 12	Util-Assist advised of more US reference remaining in NDA and ask for comment
Sept 15	Util-Assist provided deployment schedule, SSN requested clarity, Util-Assist provided the clarity requested
Sept 15	Util-Assist provided 3 more signed NDA's
Sept 15	SSN provided comment on NDA clause
Sept 16	KICK-OFF MEETING WAS HELD Meeting dates were set for: Sept 24 Demo, Sept 29 Follow up, and Oct 3 in person for contract talks SSN to provide Canadian Standard Service Agreement following week
Sept 17	Util-Assist provided 1 more signed NDA
Sept 17	Util-Assist provided minutes to meeting held on Sept 16th
Sept 17	Util-Assist provided service point data for 2 LDC's
Sept 18	Util-Assist advised of change to meeting time on Sept 29
Sept 18	SSN confirmed meeting times, provided copy of presentation of Sept 16
Sept 20	Util-Assist provided Data files for 5 LDC's
Sept 23	SSN provided standard services agreement – US format
Sept 24	Util-Assist requested update on NDA addendum/changes
Sept 24	Util-Assist sent data files for 1 more LDC
Sept 25	SSN confirmed receipt of data files and introduced Hugh Patrick Project Manager; requested all data files be sent to Greg Farm, Util-Assist forwarded data files to Greg
Sept 25	More data files sent to SSN
Oct 1	Util-Assist requested follow up for CDN version of standard services agreement – SSN advised attorneys were to meet on Monday.
Sept 29	SSN provided Project Plan and sample Network designs – Webex meeting was held
Oct 3	Meeting was held, propagation maps presented, LDC's provided input for changes, Util-Assist presented a draft services contract
Oct 9	Util-Assist sent Draft Services contract to SSN
Oct 14	Util-Assist requested if SSN needed to postpone conference call scheduled for Oct 15th as no pricing had yet been provided for review, SSN agreed to postpone
Oct 15	SSN advised pricing would be made available on Oct 17
Oct 17	SSN advised that pricing was not yet available and therefore the meeting scheduled for October 17th would be cancelled. Steve agreed to forward an email to James Douglas advising him of the delay and the reason for it. SSN also advised that pricing should be available on Monday Oct 20th and Steve would call Honor with an update mid morning on Monday.
Oct 20	No update was received
Oct 21	SSN sent an email update as to further delay with pricing and the requirement of Measurement Canada Certification requirement for new NIC card and included with the email the functionality spreadsheet
Oct 23	Util-Assist attempted to contact SSN and left voice mail requesting a return call

ADDENDUM 3

Meter Deployment RFP

ADDENDUM 4

Operational Data Store RFP

ADDENDUM 5

Wide Area Network RFP

ADDENDUM 6

Confidential Materials Filed with the Board
(Sealed envelope)

ADDENDUM 7

Bill Impacts

Residential

Consumption	800 kWh
RPP Tier One	600 kWh
Load Factor	
Loss Factor	1.0809

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600.00	0.0750	45.00	600.00	0.0750	45.00	0.00	0.00%	36.19%	
Energy Second Tier (kWh)	264.72	0.0880	23.30	264.72	0.0880	23.30	0.00	0.00%	18.73%	
TOU - Off Peak	553.42	0.0650	35.97	553.42	0.0650	35.97	0.00	0.00%		28.58%
TOU - Mid Peak	155.65	0.1000	15.56	155.65	0.1000	15.56	0.00	0.00%		12.37%
TOU - On Peak	155.65	0.1170	18.21	155.65	0.1170	18.21	0.00	0.00%		14.47%
Service Charge	1	21.67	21.67	1	21.86	21.86	0.19	0.88%	17.58%	17.37%
Service Charge Rate Rider(s)	1	0.73	0.73	1	3.95	3.95	3.22	441.54%	3.18%	3.14%
Distribution Volumetric Rate	800	0.0173	13.84	800	0.0175	14.00	0.16	1.16%	11.26%	11.12%
Low Voltage Volumetric Rate	800	0.0011	0.88	800	0.0011	0.88	0.00	0.00%	0.71%	0.70%
Distribution Volumetric Rate Rider(s)	800	(0.0047)	(3.76)	800	(0.0074)	(5.92)	(2.16)	57.45%	-4.76%	-4.70%
Total: Distribution			**33.36**			**34.77**	**1.41**	**4.23%**	**27.96%**	**27.63%**
Retail Transmission Rate - Network Service Rate	864.72	0.0051	4.41	864.72	0.0051	4.39	(0.02)	-0.45%	3.53%	3.49%
Retail Transmission Rate - Line and Transformation Connection Service Rate	864.72	0.004	3.46	864.72	0.0041	3.53	0.07	2.02%	2.84%	2.81%
Total: Retail Transmission			7.87			7.92	0.05	0.64%	6.37%	6.29%
Sub-Total: Delivery (Distribution and Retail Transmission)			**41.23**			**42.69**	**1.46**	**3.54%**	**34.33%**	**33.92%**
Wholesale Market Service Rate	864.72	0.0052	4.50	864.72	0.0052	4.50	0.00	0.00%	3.62%	3.57%
Rural Rate Protection Charge	864.72	0.0011	0.95	864.72	0.0011	0.95	0.00	0.00%	0.76%	0.76%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.20%	0.20%
Sub-Total: Regulatory			**5.70**			**5.70**	**0.00**	0.00%	**4.58%**	**4.53%**
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800.00	0.0070	**5.60**	0.00	0.00%	**4.50%**	**4.45%**
Total Bill on RPP (before taxes)			120.82			122.28	1.46	1.21%	98.33%	
HST		13%	15.71		13%	15.90	0.19	1.21%	12.78%	
Total Bill (including HST)			136.53			138.18	1.65	1.21%	111.11%	
Ontario Clean Energy Benefit (OCEB)		**(10%)**	(13.65)		(10%)	(13.82)	(0.16)	1.21%	-11.11%	
Total Bill on RPP (including OCEB)			**122.87**			**124.36**	**1.48**	1.21%	**100.00%**	
Total Bill on TOU (before taxes)			122.28			123.74	1.46	1.19%		98.33%
HST		13%	15.90		13%	16.09	0.19	1.19%		12.78%
Total Bill (including HST)			138.18			139.83	1.65	1.19%		111.11%
Ontario Clean Energy Benefit (OCEB)		**(10%)**	(13.82)		(10%)	(13.98)	(0.16)	1.19%		-11.11%
Total Bill on TOU (including OCEB)			**124.36**			**125.84**	**1.48**	1.19%		**100.00%**

General Service Less Than 50 kW

Consumption	2,000 **kWh**
RPP Tier One	600 **kWh**
Load Factor	
Loss Factor	1.0809

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600.00	0.0750	45.00	600.00	0.0750	45.00	0.00	0.00%	15.30%	
Energy Second Tier (kWh)	1,561.80	0.0880	137.44	1,561.80	0.0880	137.44	0.00	0.00%	46.74%	
TOU - Off Peak	1,383.55	0.0650	89.93	1,383.55	0.0650	89.93	0.00	0.00%		31.46%
TOU - Mid Peak	389.12	0.1000	38.91	389.12	0.1000	38.91	0.00	0.00%		13.61%
TOU - On Peak	389.12	0.1170	45.53	389.12	0.1170	45.53	0.00	0.00%		15.93%
Service Charge	1	32.38	32.38	1	32.66	32.66	0.28	0.86%	11.11%	11.43%
Service Charge Rate Rider(s)	1	1.10	1.10	1	10.92	10.92	9.82	892.44%	3.71%	3.82%
Distribution Volumetric Rate	2000	0.0133	26.60	2,000	0.0134	26.80	0.20	0.75%	9.11%	9.38%
Low Voltage Volumetric Rate	2000	0.0008	1.60	2,000	0.0008	1.60	0.00	0.00%	0.54%	0.56%
Distribution Volumetric Rate Rider(s)	2000	(0.0029)	(5.80)	2,000	(0.0056)	(11.20)	(5.40)	93.10%	-3.81%	-3.92%
Total: Distribution			**55.88**			**60.78**	**4.90**	**8.77%**	**20.67%**	**21.26%**
Retail Transmission Rate - Network Service Rate	2,161.80	0.0046	9.94	2,161.80	0.0046	9.89	(0.05)	-0.50%	3.36%	3.46%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,161.80	0.0037	8.00	2,161.80	0.0038	8.17	0.17	2.13%	2.78%	2.86%
Total: Retail Transmission			17.94			18.06	0.12	0.67%	6.14%	6.32%
Sub-Total: Delivery (Distribution and Retail Transmission)			**73.82**			**78.84**	**5.02**	**6.80%**	**26.81%**	**27.58%**
Wholesale Market Service Rate	2,161.80	0.0052	11.24	2,161.80	0.0052	11.24	0.00	0.00%	3.82%	3.93%
Rural Rate Protection Charge	2,161.80	0.0011	2.38	2,161.80	0.0011	2.38	0.00	0.00%	0.81%	0.83%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.09%	0.09%
Sub-Total: Regulatory			**13.87**			**13.87**	**0.00**	0.00%	**4.72%**	**4.85%**
Debt Retirement Charge (DRC)	2,000.00	0.00700	14.00	2,000.00	0.0070	**14.00**	0.00	0.00%	**4.76%**	**4.90%**
Total Bill on RPP (before taxes)			284.13			289.15	5.02	1.77%	98.33%	
HST		13%	36.94		13%	37.59	0.65	1.77%	12.78%	
Total Bill (including HST)			321.07			326.74	5.67	1.77%	111.11%	
Ontario Clean Energy Benefit (OCEB)		**(10%)**	(32.11)		(10%)	(32.67)	(0.57)	1.77%	-11.11%	
Total Bill on RPP (including OCEB)			**288.96**			**294.07**	**5.11**	1.77%	**100.00%**	
Total Bill on TOU (before taxes)			276.06			281.08	5.02	1.82%		98.33%
HST		13%	35.89		13%	36.54	0.65	1.82%		12.78%
Total Bill (including HST)			311.95			317.62	5.67	1.82%		111.11%
Ontario Clean Energy Benefit (OCEB)		**(10%)**	(31.19)		(10%)	(31.76)	(0.57)	1.82%		-11.11%
Total Bill on TOU (including OCEB)			**280.75**			**285.86**	**5.11**	1.82%		**100.00%**