



Energizing Our Community

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August 9, 2012

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

Dear Ms. Walli:

**RE: Orillia Power Distribution Corporation – Board File No. EB-2012-0261
2012 Smart Meter Cost Recovery Application
Reply Submission**

Please find enclosed Orillia Power Distribution Corporation's reply submission in the above matter.

An electronic copy will be filed using the OEB e-filing services and includes:

- PDF document of Reply Submission including Smart Meter Model updated to reflect Board-approved tax/PILS rates
- Smart Meter Model and Tables included in the Reply Submission in Excel version

Two hard copies of the PDF response will be sent by courier.

Respectfully submitted,

Pauline Welsh
Regulatory Officer
Orillia Power Distribution Corporation

cc. Pat Hurley, Treasurer
Keith McAllister, President & CEO

ORILLIA POWER DISTRIBUTION CORPORATION
2012 Smart Meter Cost Recovery Application
EB-2012-0261
Reply Submission

Introduction

Orillia Power Distribution Corporation (“Orillia”) is filing this reply submission in connection with its application for just and reasonable rates with respect to smart meters as of October 1, 2012 (the “Application”).

Orillia has organized its reply submission by addressing the following issues which were raised in the Board Staff submission dated August 1, 2012 (the “Board Staff Submission”) and the Vulnerable Energy Consumers Coalition (“VECC”) submission dated August 3, 2012 (the “VECC Submission”):

- Cost Allocation
- Tax/PILs Rates
- Prudence of Smart Meter Costs and Minimum Functionality
- Foregone Revenues
- Operational Efficiencies
- Stranded Meters

Orillia has provided a summary of its reply submission at the end of this document.

Cost Allocation

Orillia filed a revised smart meter model and class-specific SMDRs and SMIRRs to reflect the corrections noted in Board Staff interrogatories #5 and 6. Orillia affirmed that it has calculated class-specific smart meter revenue requirement using the methodology described by Board Staff (Board Staff Submission page 3 and 4). Orillia is pleased to note that Board Staff has no concerns with its methodology for the proposed allocation of costs.

In reply to VECC’s interrogatory #7 to complete a separate smart meter revenue requirement model by rate class and recalculate the SMDR and SMIRR rate riders on

a full cost causality basis, Orillia indicated it did not track costs on a rate class basis and is not able to complete a smart meter model by rate class or calculate rate riders based on full cost causality by rate class. VECC accepts that Orillia does not have the data to complete individual models to determine the revenue requirement for each rate class to calculate class specific rate riders based on full cost causality.

In the Ontario Energy Board's (the "Board") decision regarding PowerStream's 2010 Smart Meter Disposition application (EB-2010-0290), the Board approved an allocation between customer classes based on the capital costs of the meters installed for each class. VECC accepts Orillia's approach based on the PowerStream methodology as an appropriate cost allocation proxy with one exception. VECC submits that the SMFA revenues collected from the GS>50 kW and Large Use customer classes should be returned to those customers instead of a 50:50 allocation between the residential and GS<50 kW customer classes.

Orillia submits that it has followed the approach for the allocation of the residual SMFA revenues and interest collected from other metered customer classes (i.e. GS 50-4999 kW and Large Use) used and approved in recent cost of service applications. In Guelph Hydro's rates application (EB-2011-0123), the allocation was 50:50 to the Residential and GS<50 kW classes. This same methodology is also consistent with the OEB Guideline G-2011-0001 Smart Meter Funding and Cost Recovery – Final Disposition in which *"The Board directed PowerStream to allocate the smart meter adder amounts collected from the GS > 50 kW and Large Use customer classes evenly to the Residential and GS < 50 kW classes when calculating the true-up for the SMDR."*

Tax/PILS Rates

Board Staff notes that for the years 2010, 2011 and 2012, Orillia has used maximum tax rates (Aggregate Corporate Income Tax Rate) of 31%, 28.25% and 26.25%, respectively. Board Staff also notes that the Settlement Proposal accepted by the Board in Orillia's 2010 cost-of-service rate application (EB-2009-0273) reflects an effective tax rate of 28.8% for 2010. Board Staff further notes that the Decision and Order related to Orillia's 2011 IRM rate application (EB-2010-0106) and 2012 IRM rate application (EB-2011-0191) reflect effective tax rates of 24.24% and 22.26% respectively.

Board Staff submits that the tax rates noted above, i.e. 28.8% (2010), 24.24% (2011) and 22.26% (2012) would be more appropriate as these were approved by the Board to determine distribution rates previously as set out above in rates applications for the respective years 2010, 2011 and 2012. As such, Board Staff submits that Orillia should update the smart meter model and re-calculate the class-specific SMDRs and SMIRRs to reflect the Board-approved tax/PILs rates applicable to Orillia in each year.

In its response to Board Staff interrogatory #2, Orillia had requested further clarification from Board Staff regarding tax rates to be used. Orillia is satisfied that the Board Staff suggestion is a reasonable approach and has updated its smart meter model (Appendix A) and re-calculated the class-specific SMDRs and SMIRRs to reflect the Board-approved tax/PILs rates applicable to Orillia in 2010, 2011 and 2012.

Orillia has calculated an updated revenue requirement of \$992,693 to reflect the agreed upon tax rates associated with smart meter investment costs in Table 1 and Table 2.

Table 1 – Rate Base Calculation by Year

Rate Base	2007	2008	2009	2010	2011
Average Net Fixed Assets	\$ 7,965	\$ 23,325	\$ 676,415	\$ 1,461,432	\$ 1,823,315
Working Capital Allowance	\$ -	\$ -	\$ 5,035	\$ 16,852	\$ 27,307
Total Rate Base	\$ 7,965	\$ 23,325	\$ 681,450	\$ 1,478,284	\$ 1,850,622

Table 2 – Revenue Requirement Calculation for SMDR by Year and in Total

Revenue Requirement	2007	2008	2009	2010	2011	Total
Short Term Interest	\$ -	\$ -	\$ -	\$ 786	\$ 985	\$ 1,771
Long Term Interest	\$ 289	\$ 901	\$ 28,013	\$ 51,740	\$ 64,772	\$ 145,714
Return on Equity	\$ 358	\$ 980	\$ 26,556	\$ 58,244	\$ 72,915	\$ 159,054
Total Return on Rate Base	\$ 647	\$ 1,882	\$ 54,569	\$ 110,771	\$ 138,671	\$ 306,539
OM&A	\$ -	\$ -	\$ 33,566	\$ 112,344	\$ 182,049	\$ 327,959
Amortization	\$ 549	\$ 1,646	\$ 49,515	\$ 110,744	\$ 146,504	\$ 308,958
Grossed-up PILs	\$ 177	\$ 424	\$ 8,292	\$ 14,451	\$ 17,302	\$ 40,646
Revenue Requirement	\$ 1,373	\$ 3,952	\$ 145,942	\$ 348,310	\$ 484,526	\$ 984,102
Interest on Deferred OM&A and Amortization	\$ 12	\$ 49	\$ 272	\$ 1,641	\$ 6,617	\$ 8,591
Total Revenue Requirement	\$ 1,385	\$ 4,001	\$ 146,214	\$ 349,951	\$ 491,143	\$ 992,693

Table 3 summarizes the updated Smart Meter True-up balance of \$375,511 representing the difference between the revenue requirement shown above and the amount of smart meter funding adder collected from May 1, 2006 to April 30, 2012.

Table 3 - Net Deferred Revenue Requirement (SMDR)

Total Revenue Requirement	\$ 992,693
Smart Meter Funding Adder Collected to April 30, 2012	-\$ 595,171
Carrying Cost on Smart Meter Funding Adder	-\$ 22,011
Smart Meter True-up Balance for Disposition Rider	\$ 375,511

Orillia has allocated the updated true-up balance of \$375,511 to the residential and general service less than 50 kW customer classes in Table 4.

Table 4 - Revenue Requirement and Smart Meter Funding Adder by Customer Class

Revenue Requirement	Total Amount	Allocation Factor - Residential	Residential	Allocation Factor - GS Less Than 50 kW	GS Less Than 50 kW
Return on Smart Meter Rate Base	\$ 306,539	68.61%	\$ 210,308	31.39%	\$ 96,231
OM&A Expenses	\$ 327,959	89.72%	\$ 294,256	10.28%	\$ 33,703
Amortization Expense	\$ 308,958	68.61%	\$ 211,967	31.39%	\$ 96,991
Revenue Requirement before PILs	\$ 943,456		\$ 716,531		\$ 226,925
Grossed-up PILs	\$ 40,646	75.95%	\$ 30,870	24.05%	\$ 9,776
Interest Expense	\$ 8,591	75.95%	\$ 6,525	24.05%	\$ 2,066
Total Revenue Requirement	\$ 992,693		\$ 753,925		\$ 238,768
Total Smart Meter Funding Adder Collected	-\$ 617,182		-\$ 548,349		-\$ 68,833
Total Smart Meter True-up Balance	\$ 375,511		\$ 205,576		\$ 169,935

The updated Smart Meter Disposition Rider (SMDR) before adjustment for foregone revenues (Board Staff IR #8) is calculated in Table 5.

Table 5 - Calculation of Smart Meter Disposition (SMDR) Over 2 Years

	Residential	GS Less Than 50 kW	Total
Total Smart Meter True-up for Disposition	\$ 205,576	\$ 169,935	\$ 375,511
Number of Customers	11,542	1,322	12,864
Total Smart Meter Disposition Rider (SMDR)	\$ 0.74	\$ 5.36	\$ 1.22

Orillia has calculated an updated 2012 Smart Meter Incremental Revenue Requirement (SMIRR) of \$473,131 in Tables 6 and 7.

Table 6 - Rate Base Calculation 2012

Rate Base	2012
Average Net Fixed Assets	\$ 1,961,699
Working Capital Allowance	\$ 20,298
Total Rate Base	\$ 1,981,996

Table 7 - Smart Meter Incremental Revenue Requirement (SMIRR)

Revenue Requirement	2012
Short Term Interest	\$ 1,054
Long Term Interest	\$ 69,370
Return on Equity	\$ 78,091
Total Return on Rate Base	\$ 148,515
OM&A	\$ 135,318
Amortization	\$ 168,355
Grossed-up PILs	\$ 20,943
Total Revenue Requirement	\$ 473,131

Orillia has allocated the updated incremental revenue requirement balance of \$473,131 to the residential and general service less than 50 kW customer classes in Table 8.

Table 8 - Smart Meter Incremental Revenue Requirement by Customer Class

Revenue Requirement	Total Amount	Allocation Factor - Residential	Residential	Allocation Factor - GS Less Than 50 kW	GS Less Than 50 kW
Return on Smart Meter Rate Base	\$ 148,515	68.61%	\$ 101,892	31.39%	\$ 46,623
OM&A Expenses	\$ 135,318	89.72%	\$ 121,412	10.28%	\$ 13,906
Amortization Expense	\$ 168,355	68.61%	\$ 115,504	31.39%	\$ 52,851
Revenue Requirement before PILs	\$ 452,188		\$ 338,807		\$ 113,381
Grossed-up PILs	\$ 20,943	74.93%	\$ 15,692	25.07%	\$ 5,251
Total Smart Meter True-up Balance	\$ 473,131		\$ 354,499		\$ 118,632

The updated SMIRR to be collected over a 19 month period (October 1, 2012 to April 30, 2014) is shown in Table 9.

Table 9 - Calculation of Smart Meter Incremental Rate Rider (SMIRR)

	Residential	GS Less Than 50 kW	Total Smart Meter Customers
Total Incremental Revenue Requirement	\$ 354,499	\$ 118,632	\$ 473,131
Number of Customers	11,542	1,322	12,864
Smart Meter Incremental Rate Rider (SMIRR)	\$ 2.56	\$ 7.48	\$ 3.06

Prudence of Smart Meter Costs and Minimum Functionality

Board Staff is of the view that Orillia has provided adequate documentation on prudence of the costs for which Orillia is seeking approval. Board Staff takes no issue with the nature or quantum of Orillia's documented costs above minimum functionality. Finally, Board Staff considers that the documented costs are reasonable.

In its submission, VECC takes no issue with the quantum or nature of Orillia's average smart meter costs and notes the following:

- It is reasonable to conclude that Orillia experienced some efficiencies and benefits through the joint purchase of goods and services with other LDCs.

- Orillia's average smart meter costs (excluding costs beyond minimum functionality and including forecasted 2012 costs) are less than the recent sector averages.
- Orillia's percentage of audited costs conforms to the Board's Guidelines.

Orillia agrees with the conclusions of Board Staff and VECC and submits that it has prudently incurred smart meter costs.

Foregone Revenues

Board Staff observes that, if the SMDR and SMIRR are both effective October 1, 2012, the SMIRR will only be in effect for 19 months (from October 1, 2012 to April 30, 2014). The SMIRR is a rate adjustment to recover the on-going (prospective) capital-related and operating expenses for installed smart meters. In effect, Orillia would not be recovering these costs for the period from May 1 to September 30, 2012.

In response to Board Staff interrogatory #8, Orillia responded that it believes it is appropriate to "bump up" the deferred revenue requirement to be recovered through the SMDR to recover the foregone SMIRR revenues for the period May 1 to September 30, 2012. In response to part (b) of that interrogatory, Orillia provided corresponding class-specific SMDRs including foregone SMIRR revenues for the period May 1 to September 20, 2012 of \$1.30/month (Residential) and \$6.97/month (General Service Less Than 50 kW).

Board Staff notes that the Board has approved the recovery of foregone SMIRR revenues back to May 1, 2012 in decisions on other recent applications for smart meter cost recovery, using the methodology suggested by Orillia. As such Board Staff takes no issue with Orillia's proposal for the recovery of foregone SMIRR revenues from May 1 to September 30, 2012.

VECC agrees with Board Staff and takes no issue with Orillia's proposal for the recovery of foregone SMIRR revenues from May 1 to September 30, 2012.

Orillia has updated the class-specific SMDRs and SMIRRs to reflect the Board-approved tax/PILs rates applicable to Orillia in 2010, 2011 and 2012 in Tables

4 and 8 above. Orillia has recalculated class-specific SMDRs including foregone SMIRR revenues for the period May 1 to September 30, 2012 in Table 10.

Table 10 - Calculation of Smart Meter Disposition (SMDR) including Foregone SMIRR Revenue

	Residential	GS Less Than 50 kW	Total
Smart Meter Disposition Revenue Requirement - SMDR (Table 4)	\$ 205,576	\$ 169,935	\$ 375,511
Smart Meter Incremental Revenue Requirement - SMIRR for 2012 (Table 8)	\$ 354,499	\$ 118,632	\$ 473,131
Foregone SMIRR Revenue May 1, 2012 to September 30, 2012 (5 months)	\$ 147,708	\$ 49,430	\$ 197,138
Smart Meter Disposition Revenue Requirement - SMDR "Bumped up" to include Foregone SMIRR Revenue	\$ 353,284	\$ 219,365	\$ 572,649
Number of Customers	11,542	1,322	12,864
Smart Meter Disposition Rider (SMDR) including Foregone SMIRR Revenue over 2 years	\$ 1.28	\$ 6.91	\$ 1.85

Operational Efficiencies

In response to VECC IR # 6, Orillia has discussed operational efficiencies and cost savings resulting from smart meter deployment. Orillia stated that manual (walk-up) meter readings for Residential and GS < 50 kW have been eliminated, resulting in annual cost saving of approximately \$100,000 for 2012 and future years. Orillia also stated that, at this stage, no other operational efficiencies or cost savings are anticipated. Further, Orillia stated that it had hired an additional staff member within the billing group in 2012 as a result of increased responsibilities related to smart meters and operating within an AMI environment.

Board Staff takes no issue with Orillia's explanations, and recognizes that it may take time for further savings to be recognized. As Orillia, and the utility sector generally, become more accustomed to customer and operational data (i.e. service interruptions, meter tampering) that smart meters and TOU pricing provide, re-engineering of business processes may allow for more, and more substantial, efficiencies to be realized over time.

Board Staff submits and Orillia concurs that Orillia should be prepared to address any operational efficiencies further in its next cost of service rebasing application.

Stranded Meters

Board Staff submits that Orillia’s proposal to dispose of its stranded meters including depreciation to December 31, 2013 at the time of its next cost of service proceeding in 2014 is compliant with Guideline G-2011-0001.

Summary and Final Approval Sought

Board Staff submits that Orillia’s Application is in accordance with Guideline G-2011-0001, reflects prudently incurred costs and is consistent with Board policy and practice with respect to the disposition and recovery of costs related to smart meter recovery. Orillia respectfully submits that it is in agreement with Board Staff.

Orillia has provided an updated Smart Meter Model (Appendix A) along with its reply submission. The updated class-specific SMDRs and SMIRRs calculated as a result of responses to Board Staff interrogatories and the Board Staff Submission are summarized in Table 11. The updated Smart Meter Model and Tables 1 through 11 will be submitted in excel version along with this reply submission.

Table 11 - Original and Updated SMDRs and SMIRRs

Class	SMDR (\$/month, for 24 months)			SMIRR (\$/month, for 19 months)	
	Original	Updated	Bumped Up	Original	Updated
		Board Staff IR #2 and #6a	Board Staff IR #8		Board Staff IR #2
Residential	\$ 0.75	\$ 0.74	\$ 1.28	\$ 2.59	\$ 2.56
GS <50 kW	\$ 5.36	\$ 5.36	\$ 6.91	\$ 7.56	\$ 7.48

Orillia submits that it has for all practical purposes completed its smart meter implementation program, and that it is appropriate to make this Application and recover the amounts sought therein at this time.

In summary, Orillia is requesting the following rider(s) to be effective October 1, 2012:

1. Smart Meter Disposition Rider (SMDR) – An actual cost recovery rate rider of \$1.28 per Residential customer per month and \$6.91 per General Service Less Than 50kW customer per month for two years (October 1, 2012 to September 30, 2014).
2. Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR) – A forecasted cost recovery rate rider of \$2.56 per Residential customer per month and \$7.48 per General Service Less Than 50kW customer per month for the period October 1, 2012 to April 30, 2014.

All of which is respectfully submitted this 9th day of August, 2012.

APPENDIX A – Smart Meter Model

A copy of Orillia's updated Smart Meter Model follows on the next 23 pages.



Choose Your Utility:

- Orillia Power Distribution Corporation
- Oshawa PUIE Networks Inc
- Ottawa River Power Corporation

Application Contact Information

Name: Patrick Hurley

Title: Treasurer

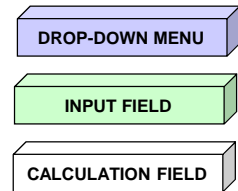
Phone Number: (705) 326-2495 extension 222

Email Address: phurley@orilliapower.ca

We are applying for rates effective: October 1, 2012

Last COS Re-based Year: 2010

Legend



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.



Orillia Power Distribution 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

Smart Meter Installation Plan

Actual/Planned number of Smart Meters installed during the Calendar Year

	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Residential				10,393	718	431		11542
General Service < 50 kW					496	826		1322
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	10393	1214	1257	0	12864
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	80.79%	90.23%	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	10393	1214	1257	0	12864

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

	Asset Type							
	Asset type must be selected to enable calculations							
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.1.1 Smart Meters (may include new meters and modules, etc.)	Smart Meter			937,738	300,654	274,757		\$ 1,513,150
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter			126,201	17,140	245,322		\$ 388,663
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware			1,372	10,403	4,078		\$ 15,853
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)	Computer Software					25,057		\$ 25,057
Total Advanced Metering Communications Devices (AMCD)	\$ -	\$ -	\$ -	\$ 1,065,310	\$ 328,197	\$ 549,215	\$ -	\$ 1,942,723

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

	Asset Type							
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.2.1 Collectors	Smart Meter			148,813				\$ 148,813
1.2.2 Repeaters (may include radio licence, etc.)	Smart Meter							\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter			3,124				\$ 3,124
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)	\$ -	\$ -	\$ -	\$ 151,938	\$ -	\$ -	\$ -	\$ 151,938



Orillia Power Distribution Corporation

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									\$ -
1.3.2 Computer Software									\$ -
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include AS/400 disk space, backup and recovery computer, UPS, etc.)</i>									\$ -
Total Advanced Metering Control Computer (AMCC)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1.4 WIDE AREA NETWORK (WAN)

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.4.1 Activation Fees									\$ -
Total Wide Area Network (WAN)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>									\$ -
1.5.2 AMI Interface to CIS	Computer Software				37,835	1,587			\$ 39,422
1.5.3 Professional Fees	Other Equipment				13,270				\$ 13,270
1.5.4 Integration	Other Equipment				8,993	47,122	31,120		\$ 87,235
1.5.5 Program Management	Other Equipment		16,479	16,436	62,941	4,739			\$ 100,595
1.5.6 Other AMI Capital									\$ -
Total Other AMI Capital Costs Related to Minimum Functionality		\$ -	\$ 16,479	\$ 16,436	\$ 123,038	\$ 53,448	\$ 31,120	\$ -	\$ 240,522
Total Capital Costs Related to Minimum Functionality		\$ -	\$ 16,479	\$ 16,436	\$ 1,340,286	\$ 381,645	\$ 580,336	\$ -	\$ 2,335,182

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									\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service									\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Tools & Equipment				621	7,742	11,290		\$ 19,653
Total Capital Costs Beyond Minimum Functionality		\$ -	\$ -	\$ -	\$ 621	\$ 7,742	\$ 11,290	\$ -	\$ 19,653
Total Smart Meter Capital Costs		\$ -	\$ 16,479	\$ 16,436	\$ 1,340,907	\$ 389,387	\$ 591,626	\$ -	\$ 2,354,835



Orillia Power Distribution Corporation

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify)

Total Incremental AMCD OM&A Costs

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

2.2.1 Maintenance

2.2.2 Other (please specify)

Total Incremental AMRC OM&A Costs

2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance (may include server support, etc.)

2.3.2 Software Maintenance (may include maintenance support, etc.)

2.3.2 Other (please specify)

Total Incremental AMCC OM&A Costs

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify)

Total Incremental AMRC OM&A Costs

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

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

2.5.3 Program Management

2.5.4 Change Management (may include training, etc.)

2.5.5 Administration Costs

2.5.6 Other AMI Expenses
(please specify)

Total Other AMI OM&A Costs Related to Minimum Functionality

TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2.1 Maintenance				13,996	54,223	50,179	48,000	\$ 166,398
2.2.2 Other (please specify)								\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ 13,996	\$ 54,223	\$ 50,179	\$ 48,000	\$ 166,398
2.3.1 Hardware Maintenance (may include server support, etc.)								\$ -
2.3.2 Software Maintenance (may include maintenance support, etc.)								\$ -
2.3.2 Other (please specify)								\$ -
Total Incremental AMCC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.4.1 WAN Maintenance								\$ -
2.4.2 Other (please specify)								\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5.1 Business Process Redesign								\$ -
2.5.2 Customer Communication (may include project communication, etc.)				13,919				\$ 13,919
2.5.3 Program Management								\$ -
2.5.4 Change Management (may include training, etc.)					42,948	58,300	26,400	\$ 127,648
2.5.5 Administration Costs				205	221	479		\$ 904
2.5.6 Other AMI Expenses (please specify)				4,393	1,472	13,180	31,154	\$ 50,199
Total Other AMI OM&A Costs Related to Minimum Functionality	\$ -	\$ -	\$ -	\$ 18,517	\$ 44,641	\$ 71,958	\$ 57,554	\$ 192,670
TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY	\$ -	\$ -	\$ -	\$ 32,513	\$ 98,863	\$ 122,137	\$ 105,554	\$ 359,067



Orillia Power Distribution Corporation

2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY

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

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

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

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

Total OM&A Costs Beyond Minimum Functionality

Total Smart Meter OM&A Costs

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual		
							\$	-
							\$	-
			1,053	13,480	59,911	29,764	\$	104,209
Total OM&A Costs Beyond Minimum Functionality	\$ -	\$ -	\$ 1,053	\$ 13,480	\$ 59,911	\$ 29,764	\$	104,209
Total Smart Meter OM&A Costs	\$ -	\$ -	\$ 33,566	\$ 112,344	\$ 182,049	\$ 135,318	\$	463,276

3 Aggregate Smart Meter Costs by Category

3.1	Capital								
3.1.1	Smart Meter	\$ -	\$ -	\$ -	\$ 1,215,876	\$ 317,795	\$ 520,080	\$ -	\$ 2,053,751
3.1.2	Computer Hardware	\$ -	\$ -	\$ -	\$ 1,372	\$ 10,403	\$ 4,078	\$ -	\$ 15,853
3.1.3	Computer Software	\$ -	\$ -	\$ -	\$ 37,835	\$ 1,587	\$ 25,057	\$ -	\$ 64,479
3.1.4	Tools & Equipment	\$ -	\$ -	\$ -	\$ 621	\$ 7,742	\$ 11,290	\$ -	\$ 19,653
3.1.5	Other Equipment	\$ -	\$ 16,479	\$ 16,436	\$ 85,204	\$ 51,861	\$ 31,120	\$ -	\$ 201,100
3.1.6	Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.7	Total Capital Costs	\$ -	\$ 16,479	\$ 16,436	\$ 1,340,907	\$ 389,387	\$ 591,626	\$ -	\$ 2,354,835
3.2	OM&A Costs								
3.2.1	Total OM&A Costs	\$ -	\$ -	\$ -	\$ 33,566	\$ 112,344	\$ 182,049	\$ 135,318	\$ 463,276



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure¹							
Deemed Short-term Debt Capitalization					4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital Parameters							
Deemed Short-term Debt Rate					1.33%	1.33%	1.33%
Long-term Debt Rate (actual/embedded/deemed) ²	7.25%	7.25%	7.25%	7.25%	6.25%	6.25%	6.25%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WACC	8.13%	8.13%	8.07%	8.01%	7.49%	7.49%	7.49%
Working Capital Allowance							
Working Capital Allowance Rate <i>(% of the sum of Cost of Power + controllable expenses)</i>	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	28.80%	24.24%	22.26%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and later
Depreciation Rates							
<i>(expressed as expected useful life in years)</i>							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	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	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
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	50	50	50	50	50	50	50
Computer Equipment - CCA Rate	55%	55%	55%	55%	55%	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	50	50	50	50	50	50	50
Applications Software - CCA Rate	55%	55%	55%	55%	55%	55%	55%

Assumptions

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



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 1,215,876	\$ 1,533,671	\$ 2,053,751
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 1,215,876	\$ 317,795	\$ 520,080	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 1,215,876	\$ 1,533,671	\$ 2,053,751	\$ 2,053,751
Accumulated Depreciation							
Opening Balance		\$ -	\$ -	\$ -	-\$ 40,529	-\$ 132,181	-\$ 251,762
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 40,529	-\$ 91,652	-\$ 119,581	-\$ 136,917
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	-\$ 40,529	-\$ 132,181	-\$ 251,762	-\$ 388,678
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,175,347	\$ 1,401,490	\$ 1,801,989
Closing Balance	\$ -	\$ -	\$ -	\$ 1,175,347	\$ 1,401,490	\$ 1,801,989	\$ 1,665,072
Average Net Book Value	\$ -	\$ -	\$ -	\$ 587,674	\$ 1,288,419	\$ 1,601,740	\$ 1,733,531
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 1,372	\$ 11,774	\$ 15,853
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 1,372	\$ 10,403	\$ 4,078	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 1,372	\$ 11,774	\$ 15,853	\$ 15,853
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	-\$ 137	-\$ 1,452	-\$ 4,214
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 137	-\$ 1,315	-\$ 2,763	-\$ 3,171
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	-\$ 137	-\$ 1,452	-\$ 4,214	-\$ 7,385
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,234	\$ 10,322	\$ 11,638
Closing Balance	\$ -	\$ -	\$ -	\$ 1,234	\$ 10,322	\$ 11,638	\$ 8,468
Average Net Book Value	\$ -	\$ -	\$ -	\$ 617	\$ 5,778	\$ 10,980	\$ 10,053



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Computer Software (including Applications Software)							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 37,835	\$ 39,422	\$ 64,479
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 37,835	\$ 1,587	\$ 25,057	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 37,835	\$ 39,422	\$ 64,479	\$ 64,479
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	-\$ 3,783	-\$ 11,509	-\$ 21,899
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 3,783	-\$ 7,726	-\$ 10,390	-\$ 12,896
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 3,783	-\$ 11,509	-\$ 21,899	-\$ 34,795
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 34,051	\$ 27,913	\$ 42,580
Closing Balance	\$ -	\$ -	\$ -	\$ 34,051	\$ 27,913	\$ 42,580	\$ 29,684
Average Net Book Value	\$ -	\$ -	\$ -	\$ 17,026	\$ 30,982	\$ 35,246	\$ 36,132
Net Fixed Assets - Tools and Equipment							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 621	\$ 8,363	\$ 19,653
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 621	\$ 7,742	\$ 11,290	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 621	\$ 8,363	\$ 19,653	\$ 19,653
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	-\$ 31	-\$ 480	-\$ 1,881
Amortization expense during year	\$ -	\$ -	\$ -	-\$ 31	-\$ 449	-\$ 1,401	-\$ 1,965
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	-\$ 31	-\$ 480	-\$ 1,881	-\$ 3,846
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 590	\$ 7,882	\$ 17,772
Closing Balance	\$ -	\$ -	\$ -	\$ 590	\$ 7,882	\$ 17,772	\$ 15,806
Average Net Book Value	\$ -	\$ -	\$ -	\$ 295	\$ 4,236	\$ 12,827	\$ 16,789



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Other Equipment							
Gross Book Value							
Opening Balance		\$ -	\$ 16,479	\$ 32,915	\$ 118,119	\$ 169,980	\$ 201,100
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ 16,479	\$ 16,436	\$ 85,204	\$ 51,861	\$ 31,120	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ 16,479	\$ 32,915	\$ 118,119	\$ 169,980	\$ 201,100	\$ 201,100
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	-\$ 549	-\$ 2,196	-\$ 7,230	-\$ 16,834	-\$ 29,203
Amortization expense during year	\$ -	-\$ 549	-\$ 1,646	-\$ 5,034	-\$ 9,603	-\$ 12,369	-\$ 13,407
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ 549	\$ 2,196	\$ 7,230	\$ 16,834	\$ 29,203	\$ 42,610
Net Book Value							
Opening Balance	\$ -	\$ -	\$ 15,930	\$ 30,719	\$ 110,889	\$ 153,147	\$ 171,897
Closing Balance	\$ -	\$ 15,930	\$ 30,719	\$ 110,889	\$ 153,147	\$ 171,897	\$ 158,491
Average Net Book Value	\$ -	\$ 7,965	\$ 23,325	\$ 70,804	\$ 132,018	\$ 162,522	\$ 165,194



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 587,674	\$ 1,288,419	\$ 1,601,740	\$ 1,733,531
Computer Hardware	\$ -	\$ -	\$ -	\$ 617	\$ 5,778	\$ 10,980	\$ 10,053
Computer Software	\$ -	\$ -	\$ -	\$ 17,026	\$ 30,982	\$ 35,246	\$ 36,132
Tools & Equipment	\$ -	\$ -	\$ -	\$ 295	\$ 4,236	\$ 12,827	\$ 16,789
Other Equipment	\$ -	\$ 7,965	\$ 23,325	\$ 70,804	\$ 132,018	\$ 162,522	\$ 165,194
Total Net Fixed Assets	\$ -	\$ 7,965	\$ 23,325	\$ 676,415	\$ 1,461,432	\$ 1,823,315	\$ 1,961,699
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ 33,566	\$ 112,344	\$ 182,049	\$ 135,318
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ 5,035	\$ 16,852	\$ 27,307	\$ 20,298
Incremental Smart Meter Rate Base	\$ -	\$ 7,965	\$ 23,325	\$ 681,450	\$ 1,478,284	\$ 1,850,622	\$ 1,981,996
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 59,131	\$ 74,025	\$ 79,280
Deemed Long Term Debt	\$ -	\$ 3,983	\$ 12,432	\$ 386,382	\$ 827,839	\$ 1,036,348	\$ 1,109,918
Equity	\$ -	\$ 3,983	\$ 10,893	\$ 295,068	\$ 591,314	\$ 740,249	\$ 792,799
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ 7,965	\$ 23,325	\$ 681,450	\$ 1,478,284	\$ 1,850,622	\$ 1,981,996
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 786	\$ 985	\$ 1,054
Deemed Long Term Debt	\$ -	\$ 289	\$ 901	\$ 28,013	\$ 51,740	\$ 64,772	\$ 69,370
Equity	\$ -	\$ 358	\$ 980	\$ 26,556	\$ 58,244	\$ 72,915	\$ 78,091
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ 647	\$ 1,882	\$ 54,569	\$ 110,771	\$ 138,671	\$ 148,515
Operating Expenses	\$ -	\$ -	\$ -	\$ 33,566	\$ 112,344	\$ 182,049	\$ 135,318
Amortization Expenses (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 40,529	\$ 91,652	\$ 119,581	\$ 136,917



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

	2006	2007	2008	2009	2010	2011	2012 and Later
Computer Hardware	\$ -	\$ -	\$ -	\$ 137	\$ 1,315	\$ 2,763	\$ 3,171
Computer Software	\$ -	\$ -	\$ -	\$ 3,783	\$ 7,726	\$ 10,390	\$ 12,896
Tools & Equipment	\$ -	\$ -	\$ -	\$ 31	\$ 449	\$ 1,401	\$ 1,965
Other Equipment	\$ -	\$ 549	\$ 1,646	\$ 5,034	\$ 9,603	\$ 12,369	\$ 13,407
Total Amortization Expense in Year	<u>\$ -</u>	<u>\$ 549</u>	<u>\$ 1,646</u>	<u>\$ 49,515</u>	<u>\$ 110,744</u>	<u>\$ 146,504</u>	<u>\$ 168,355</u>
Incremental Revenue Requirement before Taxes/PILs	<u>\$ -</u>	<u>\$ 1,196</u>	<u>\$ 3,528</u>	<u>\$ 137,650</u>	<u>\$ 333,859</u>	<u>\$ 467,223</u>	<u>\$ 452,188</u>
Calculation of Taxable Income							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ 33,566	\$ 112,344	\$ 182,049	\$ 135,318
Amortization Expense	\$ -	\$ 549	\$ 1,646	\$ 49,515	\$ 110,744	\$ 146,504	\$ 168,355
Interest Expense	\$ -	\$ 289	\$ 901	\$ 28,013	\$ 52,526	\$ 65,756	\$ 70,424
Net Income for Taxes/PILs	<u>\$ -</u>	<u>\$ 358</u>	<u>\$ 980</u>	<u>\$ 26,556</u>	<u>\$ 58,244</u>	<u>\$ 72,915</u>	<u>\$ 78,091</u>
Grossed-up Taxes/PILs (from Sheet 7)	\$ -	\$ 176.39	\$ 423.65	\$ 8,291.73	\$ 14,451.40	\$ 17,303.06	\$ 20,943.18
Revenue Requirement, including Grossed-up Taxes/PILs	\$ -	\$ 1,373	\$ 3,952	\$ 145,942	\$ 348,310	\$ 484,526	\$ 473,131



For PILs Calculation

UCC - Smart Meters

	2006	2007	2008	2009	2010	2011	2012 and later
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 1,167,241.37	\$ 1,378,944.87	\$ 1,767,905.71
Capital Additions	\$ -	\$ -	\$ -	\$ 1,215,876.43	\$ 317,794.59	\$ 520,079.61	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 1,215,876.43	\$ 1,485,035.96	\$ 1,899,024.48	\$ 1,767,905.71
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 607,938.22	\$ 158,897.30	\$ 260,039.81	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 607,938.22	\$ 1,326,138.67	\$ 1,638,984.67	\$ 1,767,905.71
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ -	\$ 48,635.06	\$ 106,091.09	\$ 131,118.77	\$ 141,432.46
Closing UCC	\$ -	\$ -	\$ -	\$ 1,167,241.37	\$ 1,378,944.87	\$ 1,767,905.71	\$ 1,626,473.25

UCC - Computer Equipment

	2006	2007	2008	2009	2010	2011	2012 and later
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 28,424.42	\$ 21,483.45	\$ 30,791.00
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ 1,371.60	\$ 10,402.50	\$ 4,078.47	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ 37,834.50	\$ 1,587.10	\$ 25,057.32	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 39,206.10	\$ 40,414.02	\$ 50,619.24	\$ 30,791.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 19,603.05	\$ 5,994.80	\$ 14,567.90	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 19,603.05	\$ 34,419.22	\$ 36,051.35	\$ 30,791.00
CCA Rate Class	50	50	50	50	50	50	50
CCA Rate	55%	55%	55%	55%	55%	55%	55%
CCA	\$ -	\$ -	\$ -	\$ 10,781.68	\$ 18,930.57	\$ 19,828.24	\$ 16,935.05
Closing UCC	\$ -	\$ -	\$ -	\$ 28,424.42	\$ 21,483.45	\$ 30,791.00	\$ 13,855.95

UCC - General Equipment

	2006	2007	2008	2009	2010	2011	2012 and later
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
Opening UCC	\$ -	\$ -	\$ 15,820.24	\$ 30,332.73	\$ 110,297.80	\$ 158,692.80	\$ 186,711.22
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ 620.84	\$ 7,741.67	\$ 11,290.00	\$ -
Capital Additions Other Equipment	\$ -	\$ 16,479.42	\$ 16,435.53	\$ 85,203.83	\$ 51,861.27	\$ 31,120.26	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ 16,479.42	\$ 32,255.77	\$ 116,157.40	\$ 169,900.74	\$ 201,103.06	\$ 186,711.22
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ 8,239.71	\$ 8,217.77	\$ 42,912.34	\$ 29,801.47	\$ 21,205.13	\$ -
Reduced UCC	\$ -	\$ 8,239.71	\$ 24,038.01	\$ 73,245.07	\$ 140,099.27	\$ 179,897.93	\$ 186,711.22



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution 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	\$ -	\$ 358.43	\$ 980.33	\$ 26,556.10	\$ 58,244.39	\$ 72,914.52	\$ 78,090.66
Amortization	\$ -	\$ 549.31	\$ 1,646.48	\$ 49,515.32	\$ 110,744.22	\$ 146,503.54	\$ 168,354.95
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 48,635.06	\$ 106,091.09	\$ 131,118.77	\$ 141,432.46
CCA - Computers	\$ -	\$ -	\$ -	\$ 10,781.68	\$ 18,930.57	\$ 19,828.24	\$ 16,935.05
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ 659.18	\$ 1,923.04	\$ 5,859.61	\$ 11,207.94	\$ 14,391.83	\$ 14,936.90
Change in taxable income	\$ -	\$ 248.56	\$ 703.77	\$ 10,795.09	\$ 32,759.01	\$ 54,079.21	\$ 73,141.20
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	28.80%	24.24%	22.26%
Income Taxes Payable	\$ -	\$ 89.78	\$ 235.76	\$ 3,562.38	\$ 9,434.59	\$ 13,108.80	\$ 16,281.23
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ -	\$ -	\$ 1,175,347.22	\$ 1,401,490.22	\$ 1,801,989.11	\$ 1,665,072.40
Computer Hardware	\$ -	\$ -	\$ -	\$ 1,234.44	\$ 10,322.37	\$ 11,638.17	\$ 8,467.66
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ 34,051.05	\$ 27,912.54	\$ 42,579.81	\$ 29,684.02
Tools & Equipment	\$ -	\$ -	\$ -	\$ 589.80	\$ 7,882.30	\$ 17,771.55	\$ 15,806.30
Other Equipment	\$ -	\$ 15,930.11	\$ 30,719.16	\$ 110,888.53	\$ 153,146.51	\$ 171,897.42	\$ 158,490.73
Rate Base	\$ -	\$ 15,930.11	\$ 30,719.16	\$ 1,322,111.03	\$ 1,600,753.94	\$ 2,045,876.06	\$ 1,877,521.12
Less: Exemption							
Deemed Taxable Capital	\$ -	\$ 15,930.11	\$ 30,719.16	\$ 1,322,111.03	\$ 1,600,753.94	\$ 2,045,876.06	\$ 1,877,521.12
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)	\$ -	\$ 35.84	\$ 69.12	\$ 2,974.75	\$ 1,200.57	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ 89.78	\$ 235.76	\$ 3,562.38	\$ 9,434.59	\$ 13,108.80	\$ 16,281.23
Change in OCT	\$ -	\$ 35.84	\$ 69.12	\$ 2,974.75	\$ 1,200.57	\$ -	\$ -
PILs	\$ -	\$ 125.62	\$ 304.88	\$ 6,537.13	\$ 10,635.16	\$ 13,108.80	\$ 16,281.23
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	28.80%	24.24%	22.26%
Change in Income Taxes Payable	\$ -	\$ 140.55	\$ 354.53	\$ 5,316.98	\$ 13,250.83	\$ 17,303.06	\$ 20,943.18
Change in OCT	\$ -	\$ 35.84	\$ 69.12	\$ 2,974.75	\$ 1,200.57	\$ -	\$ -
PILs	\$ -	\$ 176.39	\$ 423.65	\$ 8,291.73	\$ 14,451.40	\$ 17,303.06	\$ 20,943.18



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance		CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
	Accounts												
2006 Q1				Jan-06	2006	Q1	-		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%		Feb-06	2006	Q1	-		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%		Mar-06	2006	Q1	-		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%		Apr-06	2006	Q2	-		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%		May-06	2006	Q2	-	\$ 45.00	4.14%	\$ -	\$ 45.00		\$ 0.27
2007 Q2	4.59%	4.72%		Jun-06	2006	Q2	\$ 45.00	\$ 2,101.00	4.14%	\$ 0.16	\$ 2,146.16		\$ 0.27
2007 Q3	4.59%	5.18%		Jul-06	2006	Q3	\$ 2,146.00	\$ 3,451.00	4.59%	\$ 8.21	\$ 5,605.21		\$ 0.27
2007 Q4	5.14%	5.18%		Aug-06	2006	Q3	\$ 5,597.00	\$ 3,418.00	4.59%	\$ 21.41	\$ 9,036.41		\$ 0.27
2008 Q1	5.14%	5.18%		Sep-06	2006	Q3	\$ 9,015.00	\$ 3,551.00	4.59%	\$ 34.48	\$ 12,600.48		\$ 0.27
2008 Q2	4.08%	5.18%		Oct-06	2006	Q4	\$ 12,566.00	\$ 3,375.00	4.59%	\$ 48.06	\$ 15,989.06		\$ 0.27
2008 Q3	3.35%	5.43%		Nov-06	2006	Q4	\$ 15,941.00	\$ 3,552.00	4.59%	\$ 60.97	\$ 19,553.97		\$ 0.27
2008 Q4	3.35%	5.43%		Dec-06	2006	Q4	\$ 19,493.00	\$ 3,207.00	4.59%	\$ 74.56	\$ 22,774.56	\$ 22,947.85	\$ 0.27
2009 Q1	2.45%	6.61%		Jan-07	2007	Q1	\$ 22,700.00	\$ 2,806.00	4.59%	\$ 86.83	\$ 25,592.83		\$ 0.27
2009 Q2	1.00%	6.61%		Feb-07	2007	Q1	\$ 25,506.00	\$ 3,119.00	4.59%	\$ 97.56	\$ 28,722.56		\$ 0.27
2009 Q3	0.55%	5.67%		Mar-07	2007	Q1	\$ 28,625.00	\$ 2,874.00	4.59%	\$ 109.49	\$ 31,608.49		\$ 0.27
2009 Q4	0.55%	4.66%		Apr-07	2007	Q2	\$ 31,499.00	\$ 2,767.00	4.59%	\$ 120.48	\$ 34,386.48		\$ 0.27
2010 Q1	0.55%	4.34%		May-07	2007	Q2	\$ 34,266.00	\$ 5,843.00	4.59%	\$ 131.07	\$ 40,240.07		\$ 0.27
2010 Q2	0.55%	4.34%		Jun-07	2007	Q2	\$ 40,109.00	\$ 3,296.00	4.59%	\$ 153.42	\$ 43,558.42		\$ 0.27
2010 Q3	0.89%	4.66%		Jul-07	2007	Q3	\$ 43,405.00	\$ 3,370.00	4.59%	\$ 166.02	\$ 46,941.02		\$ 0.27
2010 Q4	1.20%	4.01%		Aug-07	2007	Q3	\$ 46,775.00	\$ 3,515.00	4.59%	\$ 178.91	\$ 50,468.91		\$ 0.27
2011 Q1	1.47%	4.29%		Sep-07	2007	Q3	\$ 50,290.00	\$ 3,666.00	4.59%	\$ 192.36	\$ 54,148.36		\$ 0.27
2011 Q2	1.47%	4.29%		Oct-07	2007	Q4	\$ 53,956.00	\$ 3,440.00	5.14%	\$ 231.11	\$ 57,627.11		\$ 0.27
2011 Q3	1.47%	4.29%		Nov-07	2007	Q4	\$ 57,396.00	\$ 3,473.00	5.14%	\$ 245.85	\$ 61,114.85		\$ 0.27
2011 Q4	1.47%	4.29%		Dec-07	2007	Q4	\$ 60,869.00	\$ 3,492.00	5.14%	\$ 260.72	\$ 64,621.72	\$ 43,634.82	\$ 0.27
2012 Q1	1.47%	4.29%		Jan-08	2008	Q1	\$ 64,361.00	\$ 3,498.00	5.14%	\$ 275.68	\$ 68,134.68		\$ 0.27
2012 Q2	1.47%	4.29%		Feb-08	2008	Q1	\$ 67,859.00	\$ 3,294.00	5.14%	\$ 290.66	\$ 71,443.66		\$ 0.27
2012 Q3	1.47%	4.29%		Mar-08	2008	Q1	\$ 71,153.00	\$ 3,496.00	5.14%	\$ 304.77	\$ 74,953.77		\$ 0.27
2012 Q4	1.47%	4.29%		Apr-08	2008	Q2	\$ 74,649.00	\$ 3,513.00	4.08%	\$ 253.81	\$ 78,415.81		\$ 0.27
				May-08	2008	Q2	\$ 78,162.00	\$ 3,448.00	4.08%	\$ 265.75	\$ 81,875.75		\$ 0.27
				Jun-08	2008	Q2	\$ 81,610.00	\$ 3,434.00	4.08%	\$ 277.47	\$ 85,321.47		\$ 0.27
				Jul-08	2008	Q3	\$ 85,044.00	\$ 3,469.00	3.35%	\$ 237.41	\$ 88,750.41		\$ 0.27
				Aug-08	2008	Q3	\$ 88,513.00	\$ 3,380.00	3.35%	\$ 247.10	\$ 92,140.10		\$ 0.27
				Sep-08	2008	Q3	\$ 91,893.00	\$ 3,639.00	3.35%	\$ 256.53	\$ 95,788.53		\$ 0.27
				Oct-08	2008	Q4	\$ 95,532.00	\$ 3,628.00	3.35%	\$ 266.69	\$ 99,426.69		\$ 0.27
				Nov-08	2008	Q4	\$ 99,160.00	\$ 3,372.00	3.35%	\$ 276.82	\$ 102,808.82		\$ 0.27
				Dec-08	2008	Q4	\$ 102,532.00	\$ 3,615.00	3.35%	\$ 286.24	\$ 106,433.24	\$ 45,024.93	\$ 0.27
				Jan-09	2009	Q1	\$ 106,147.00	\$ 3,502.00	2.45%	\$ 216.72	\$ 109,865.72		\$ 0.27
				Feb-09	2009	Q1	\$ 109,649.00	\$ 3,540.00	2.45%	\$ 223.87	\$ 113,412.87		\$ 0.27
				Mar-09	2009	Q1	\$ 113,189.00	\$ 3,409.00	2.45%	\$ 231.09	\$ 116,829.09		\$ 0.27
				Apr-09	2009	Q2	\$ 116,598.00	\$ 3,225.00	1.00%	\$ 97.17	\$ 119,920.17		\$ 0.27
				May-09	2009	Q2	\$ 119,823.00	\$ 3,817.00	1.00%	\$ 99.85	\$ 123,739.85		\$ 1.00
				Jun-09	2009	Q2	\$ 123,640.00	\$ 9,669.00	1.00%	\$ 103.03	\$ 133,412.03		\$ 1.00
				Jul-09	2009	Q3	\$ 133,309.00	\$ 12,969.00	0.55%	\$ 61.10	\$ 146,339.10		\$ 1.00



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved
												Smart Meter Funding Adder (from Tariff)
			Aug-09	2009	03	\$ 146,278.00	\$ 13,128.00	0.55%	\$ 67.04	\$ 159,473.04		\$ 1.00
			Sep-09	2009	03	\$ 159,406.00	\$ 13,493.00	0.55%	\$ 73.06	\$ 172,972.06		\$ 1.00
			Oct-09	2009	04	\$ 172,899.00	\$ 13,180.00	0.55%	\$ 79.25	\$ 186,158.25		\$ 1.00
			Nov-09	2009	04	\$ 186,079.00	\$ 12,432.00	0.55%	\$ 85.29	\$ 198,596.29		\$ 1.00
			Dec-09	2009	04	\$ 198,511.00	\$ 12,753.00	0.55%	\$ 90.98	\$ 211,354.98	\$ 106,545.45	\$ 1.00
			Jan-10	2010	01	\$ 211,264.00	\$ 12,364.00	0.55%	\$ 96.83	\$ 223,724.83		\$ 1.00
			Feb-10	2010	01	\$ 223,628.00	\$ 14,453.00	0.55%	\$ 102.50	\$ 238,183.50		\$ 1.00
			Mar-10	2010	01	\$ 238,081.00	\$ 12,497.00	0.55%	\$ 109.12	\$ 250,687.12		\$ 1.00
			Apr-10	2010	02	\$ 250,578.00	\$ 12,334.00	0.55%	\$ 114.85	\$ 263,026.85		\$ 1.00
			May-10	2010	02	\$ 262,912.00	\$ 13,305.00	0.55%	\$ 120.50	\$ 276,337.50		\$ 1.00
			Jun-10	2010	02	\$ 276,217.00	\$ 13,054.00	0.55%	\$ 126.60	\$ 289,397.60		\$ 1.00
			Jul-10	2010	03	\$ 289,271.00	\$ 13,004.00	0.89%	\$ 214.54	\$ 302,489.54		\$ 1.00
			Aug-10	2010	03	\$ 302,275.00	\$ 12,780.00	0.89%	\$ 224.19	\$ 315,279.19		\$ 1.00
			Sep-10	2010	03	\$ 315,055.00	\$ 13,237.00	0.89%	\$ 233.67	\$ 328,525.67		\$ 1.00
			Oct-10	2010	04	\$ 328,292.00	\$ 12,957.00	1.20%	\$ 328.29	\$ 341,577.29		\$ 1.00
			Nov-10	2010	04	\$ 341,249.00	\$ 12,797.00	1.20%	\$ 341.25	\$ 354,387.25		\$ 1.00
			Dec-10	2010	04	\$ 354,046.00	\$ 13,131.00	1.20%	\$ 354.05	\$ 367,531.05	\$ 158,279.39	\$ 1.00
			Jan-11	2011	01	\$ 367,177.00	\$ 12,797.36	1.47%	\$ 449.79	\$ 380,424.15		\$ 1.00
			Feb-11	2011	01	\$ 379,974.36	\$ 13,914.00	1.47%	\$ 465.47	\$ 394,353.83		\$ 1.00
			Mar-11	2011	01	\$ 393,888.36	\$ 12,901.54	1.47%	\$ 482.51	\$ 407,272.41		\$ 1.00
			Apr-11	2011	02	\$ 406,789.90	\$ 12,068.21	1.47%	\$ 498.32	\$ 419,356.43		\$ 1.00
			May-11	2011	02	\$ 418,858.11	\$ 13,507.15	1.47%	\$ 513.10	\$ 432,878.36		\$ 1.00
			Jun-11	2011	02	\$ 432,365.26	\$ 13,157.77	1.47%	\$ 529.65	\$ 446,052.68		\$ 1.00
			Jul-11	2011	03	\$ 445,523.03	\$ 13,961.78	1.47%	\$ 545.77	\$ 460,030.58		\$ 1.00
			Aug-11	2011	03	\$ 459,484.81	\$ 13,020.23	1.47%	\$ 562.87	\$ 473,067.91		\$ 1.00
			Sep-11	2011	03	\$ 472,505.04	\$ 13,579.05	1.47%	\$ 578.82	\$ 486,662.91		\$ 1.00
			Oct-11	2011	04	\$ 486,084.09	\$ 13,246.93	1.47%	\$ 595.45	\$ 499,926.47		\$ 1.00
			Nov-11	2011	04	\$ 499,331.02	\$ 13,261.10	1.47%	\$ 611.68	\$ 513,203.80		\$ 1.00
			Dec-11	2011	04	\$ 512,592.12	\$ 13,201.77	1.47%	\$ 627.93	\$ 526,421.82	\$ 165,078.25	\$ 1.00
			Jan-12	2012	01	\$ 525,793.89	\$ 13,194.16	1.47%	\$ 644.10	\$ 539,632.15		\$ 1.00
			Feb-12	2012	01	\$ 538,988.05	\$ 13,448.51	1.47%	\$ 660.26	\$ 553,096.82		\$ 1.00
			Mar-12	2012	01	\$ 552,436.56	\$ 13,075.59	1.47%	\$ 676.73	\$ 566,188.88		\$ 1.00
			Apr-12	2012	02	\$ 565,512.15	\$ 13,007.34	1.47%	\$ 692.75	\$ 579,212.24		\$ 1.00
			May-12	2012	02	\$ 578,519.49	\$ 13,149.37	1.47%	\$ 708.69	\$ 592,377.55		\$ 1.00
			Jun-12	2012	02	\$ 591,668.86	\$ 3,501.68	1.47%	\$ 724.79	\$ 595,895.33		\$ 1.00
			Jul-12	2012	03	\$ 595,170.54		1.47%	\$ 729.08	\$ 595,899.62		\$ 1.00
			Aug-12	2012	03	\$ 595,170.54		1.47%	\$ 729.08	\$ 595,899.62		\$ 1.00
			Sep-12	2012	03	\$ 595,170.54		1.47%	\$ 729.08	\$ 595,899.62		\$ 1.00
			Oct-12	2012	04	\$ 595,170.54		0.00%	\$ -	\$ 595,170.54		\$ 1.00
			Nov-12	2012	04	\$ 595,170.54		0.00%	\$ -	\$ 595,170.54		\$ 1.00
			Dec-12	2012	04	\$ 595,170.54		0.00%	\$ -	\$ 595,170.54	\$ 75,671.21	\$ 1.00
Total Funding Adder Revenues Collected						\$ 595,170.54	\$ 22,011.36	\$ 617,181.90	\$ 617,181.90			



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution 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	-		\$ 45.78	45.78	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	45.78		\$ 45.78	91.55	4.59%	0.18	0.18
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	91.55		\$ 45.78	137.33	4.59%	0.35	0.53
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	137.33		\$ 45.78	183.10	4.59%	0.53	1.05
2010 Q1	0.55%	4.34%	May-07	2007	Q2	183.10		\$ 45.78	228.88	4.59%	0.70	1.75
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	228.88		\$ 45.78	274.65	4.59%	0.88	2.63
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	274.65		\$ 45.78	320.43	4.59%	1.05	3.68
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	320.43		\$ 45.78	366.20	4.59%	1.23	4.90
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	366.20		\$ 45.78	411.98	4.59%	1.40	6.30
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	411.98		\$ 45.78	457.75	5.14%	1.76	8.07
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	457.75		\$ 45.78	503.53	5.14%	1.96	10.03
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	503.53		\$ 45.78	549.30	5.14%	2.16	12.19
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	549.30		\$ 137.21	686.51	5.14%	2.35	14.54
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	686.51		\$ 137.21	823.71	5.14%	2.94	17.48
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	823.71		\$ 137.21	960.92	5.14%	3.53	21.01
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	960.92		\$ 137.21	1,098.12	4.08%	3.27	24.27
			May-08	2008	Q2	1,098.12		\$ 137.21	1,235.33	4.08%	3.73	28.01



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution 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
			Jun-08	2008	Q2	1,235.33		\$ 137.21	1,372.53	4.08%	4.20	32.21
			Jul-08	2008	Q3	1,372.53		\$ 137.21	1,509.74	3.35%	3.83	36.04
			Aug-08	2008	Q3	1,509.74		\$ 137.21	1,646.94	3.35%	4.21	40.25
			Sep-08	2008	Q3	1,646.94		\$ 137.21	1,784.15	3.35%	4.60	44.85
			Oct-08	2008	Q4	1,784.15		\$ 137.21	1,921.36	3.35%	4.98	49.83
			Nov-08	2008	Q4	1,921.36		\$ 137.21	2,058.56	3.35%	5.36	55.20
			Dec-08	2008	Q4	2,058.56		\$ 137.21	2,195.77	3.35%	5.75	60.94
			Jan-09	2009	Q1	2,195.77	\$ 136.56	\$ 4,126.28	6,458.61	2.45%	4.48	65.43
			Feb-09	2009	Q1	6,458.61	\$ 9,066.60	\$ 4,126.28	19,651.50	2.45%	13.19	78.61
			Mar-09	2009	Q1	19,651.50		\$ 4,126.28	23,777.78	2.45%	40.12	118.73
			Apr-09	2009	Q2	23,777.78		\$ 4,126.28	27,904.07	1.00%	19.81	138.55
			May-09	2009	Q2	27,904.07		\$ 4,126.28	32,030.35	1.00%	23.25	161.80
			Jun-09	2009	Q2	32,030.35		\$ 4,126.28	36,156.64	1.00%	26.69	188.49
			Jul-09	2009	Q3	36,156.64	\$ 1,121.04	\$ 4,126.28	41,403.96	0.55%	16.57	205.07
			Aug-09	2009	Q3	41,403.96	\$ 3,049.78	\$ 4,126.28	48,580.02	0.55%	18.98	224.04
			Sep-09	2009	Q3	48,580.02	\$ 1,346.04	\$ 4,126.28	54,052.35	0.55%	22.27	246.31
			Oct-09	2009	Q4	54,052.35	\$ 2,301.99	\$ 4,126.28	60,480.62	0.55%	24.77	271.08
			Nov-09	2009	Q4	60,480.62	\$ 10,565.14	\$ 4,126.28	75,172.05	0.55%	27.72	298.80
			Dec-09	2009	Q4	75,172.05	\$ 5,978.58	\$ 4,126.28	85,276.91	0.55%	34.45	333.26
			Jan-10	2010	Q1	85,276.91	\$ 8,684.02	\$ 9,228.71	103,189.64	0.55%	39.09	372.34
			Feb-10	2010	Q1	103,189.64	\$ 7,621.52	\$ 9,228.71	120,039.86	0.55%	47.30	419.64
			Mar-10	2010	Q1	120,039.86	\$ 7,472.73	\$ 9,228.71	136,741.30	0.55%	55.02	474.66
			Apr-10	2010	Q2	136,741.30	\$ 7,598.56	\$ 9,228.71	153,568.57	0.55%	62.67	537.33
			May-10	2010	Q2	153,568.57	\$ 8,140.07	\$ 9,228.71	170,937.34	0.55%	70.39	607.71
			Jun-10	2010	Q2	170,937.34	\$ 8,537.05	\$ 9,228.71	188,703.10	0.55%	78.35	686.06
			Jul-10	2010	Q3	188,703.10	\$ 15,533.10	\$ 9,228.71	213,464.90	0.89%	139.95	826.02
			Aug-10	2010	Q3	213,464.90	\$ 9,486.23	\$ 9,228.71	232,179.84	0.89%	158.32	984.34
			Sep-10	2010	Q3	232,179.84	\$ 13,407.55	\$ 9,228.71	254,816.09	0.89%	172.20	1,156.54
			Oct-10	2010	Q4	254,816.09	\$ 8,671.40	\$ 9,228.71	272,716.20	1.20%	254.82	1,411.35



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution 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
			Nov-10	2010	Q4	272,716.20	\$ 7,852.71	\$ 9,228.71	289,797.61	1.20%	272.72	1,684.07
			Dec-10	2010	Q4	289,797.61	\$ 8,810.46	\$ 9,228.71	307,836.78	1.20%	289.80	1,973.87
			Jan-11	2011	Q1	307,836.78	\$ 10,467.62	\$ 12,208.65	330,513.05	1.47%	377.10	2,350.97
			Feb-11	2011	Q1	330,513.05	\$ 9,694.44	\$ 12,208.65	352,416.13	1.47%	404.88	2,755.84
			Mar-11	2011	Q1	352,416.13	\$ 9,089.87	\$ 12,208.65	373,714.65	1.47%	431.71	3,187.55
			Apr-11	2011	Q2	373,714.65	\$ 12,889.95	\$ 12,208.65	398,813.25	1.47%	457.80	3,645.35
			May-11	2011	Q2	398,813.25	\$ 20,591.18	\$ 12,208.65	431,613.08	1.47%	488.55	4,133.90
			Jun-11	2011	Q2	431,613.08	\$ 12,973.50	\$ 12,208.65	456,795.22	1.47%	528.73	4,662.63
			Jul-11	2011	Q3	456,795.22	\$ 19,003.99	\$ 12,208.65	488,007.86	1.47%	559.57	5,222.20
			Aug-11	2011	Q3	488,007.86	\$ 18,770.84	\$ 12,208.65	518,987.35	1.47%	597.81	5,820.01
			Sep-11	2011	Q3	518,987.35	\$ 15,868.80	\$ 12,208.65	547,064.80	1.47%	635.76	6,455.77
			Oct-11	2011	Q4	547,064.80	\$ 26,920.87	\$ 12,208.65	586,194.31	1.47%	670.15	7,125.92
			Nov-11	2011	Q4	586,194.31	\$ 11,375.01	\$ 12,208.65	609,777.97	1.47%	718.09	7,844.01
			Dec-11	2011	Q4	609,777.97	\$ 14,930.81	\$ 12,208.65	636,917.43	1.47%	746.98	8,590.99
			Jan-12	2012	Q1	636,917.43			636,917.43	1.47%	780.22	9,371.21
			Feb-12	2012	Q1	636,917.43			636,917.43	1.47%	780.22	10,151.44
			Mar-12	2012	Q1	636,917.43			636,917.43	1.47%	780.22	10,931.66
			Apr-12	2012	Q2	636,917.43			636,917.43	1.47%	780.22	11,711.89
			May-12	2012	Q2	636,917.43			636,917.43	1.47%	780.22	12,492.11
			Jun-12	2012	Q2	636,917.43			636,917.43	1.47%	780.22	13,272.33
			Jul-12	2012	Q3	636,917.43			636,917.43	1.47%	780.22	14,052.56
			Aug-12	2012	Q3	636,917.43			636,917.43	1.47%	780.22	14,832.78
			Sep-12	2012	Q3	636,917.43			636,917.43	1.47%	780.22	15,613.00
			Oct-12	2012	Q4	636,917.43			636,917.43	0.00%	-	15,613.00
			Nov-12	2012	Q4	636,917.43			636,917.43	0.00%	-	15,613.00
			Dec-12	2012	Q4	636,917.43			636,917.43	0.00%	-	15,613.00
							\$ 327,958.01	\$ 308,959.42	\$ 636,917.43			



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution 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	\$ -	\$ 549.31	\$ 549.31	\$ 274.66	4.73%	\$ 12.98
2008	\$ -	\$ 1,646.48	\$ 2,195.79	\$ 1,372.55	3.98%	\$ 54.63
2009	\$ 33,565.73	\$ 49,515.32	\$ 85,276.85	\$ 43,736.32	1.14%	\$ 497.50
2010	\$ 112,343.76	\$ 110,744.22	\$ 308,364.83	\$ 196,820.84	0.80%	\$ 1,569.65
2011	\$ 182,048.52	\$ 146,503.54	\$ 636,916.89	\$ 472,640.86	1.47%	\$ 6,947.82
2012	\$ 135,318.28	\$ 168,354.95	\$ 940,590.11	\$ 788,753.50	1.47%	\$ 11,594.68
Cumulative Interest to 2011						\$ 9,082.58
Cumulative Interest to 2012						\$ 20,677.26



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution 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)

Smart Meter Disposition Rider (SMDR)

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

Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

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

	2006	2007	2008	2009	2010	2011	2012 and later	Total	
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ 1,372.86	\$ 3,951.79	\$ 145,941.60	\$ 348,310.16	\$ 484,525.95	\$ 473,131.36	\$ 1,457,233.72	
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below)	\$ -	\$ 12.19	\$ 48.76	\$ 272.31	\$ 1,640.61	\$ 6,617.12		\$ 8,590.99	
<input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances)	\$ -	\$ 12.19	\$ 48.76	\$ 272.31	\$ 1,640.61	\$ 6,617.12		\$ 8,590.99	
<input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances)								\$ -	
SMFA Revenues (from Sheet 8)	\$ 22,700.00	\$ 41,661.00	\$ 41,786.00	\$ 105,117.00	\$ 155,913.00	\$ 158,616.89	\$ 69,376.65	\$ 595,170.54	
SMFA Interest (from Sheet 8)	\$ 247.85	\$ 1,973.82	\$ 3,238.93	\$ 1,428.45	\$ 2,366.39	\$ 6,461.36	\$ 6,294.56	\$ 22,011.36	
Net Deferred Revenue Requirement	-\$ 22,947.85	-\$ 42,249.77	-\$ 41,024.39	\$ 39,668.46	\$ 191,671.38	\$ 326,064.82	\$ 397,460.15	\$ 848,642.81	
Number of Metered Customers (average for 2012 test year)							12864		

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	\$ 992,693.35	
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 617,181.90	
Net Deferred Revenue Requirement	\$ 375,511.45	
SMDR	October 1, 2012 to September 30, 2014	\$ 1.22
Check: Forecasted SMDR Revenues		\$ 376,657.92

Match



Ontario Energy Board

Smart Meter Model

Orillia Power Distribution Corporation

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

Incremental Revenue Requirement for 2012	\$ 473,131.36	} Match
SMIRR	\$ 3.06	
Check: Forecasted SMIRR Revenues	\$ 472,366.08	