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August 24, 2012

BY RESS & COURIER

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: EB-2012-0260
Festival Hydro Inc. Reply Submission
2012 Smart Meter Cost Recovery Application**

Dear Ms. Walli:

Please find accompanying this letter two copies of Festival Hydro's Reply Submission to Board Staff and VECC submissions due August 27, 2012.

A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary.

Should you require any further information or clarification of any of the above, please do not hesitate to contact me.

Respectfully submitted,
Original Signed by

Kelly McCann
Financial & Regulatory Manager

cc Intervenors of Record

2012 ELECTRICITY DISTRIBUTION RATES

FESTIVAL HYDRO INC.

**Application for Disposition and Recovery of Costs Related to
Smart Meter Deployment**

EB-2012-0260

REPLY SUBMISSION

AUGUST 24, 2012

A. INTRODUCTION

Festival Hydro Inc. (“Festival”) filed a stand-alone application with the OEB for recovery of costs related to smart meters as contemplated by G-2011-0001 Guideline, Smart Meter Funding and Cost Recovery – Final Disposition, December 15, 2011. Festival applied using the OEB approved models and Board Staff has supported the recovery of the applied for costs. Festival submits its costs are reasonable and the Board should permit recovery of the applied for costs as summarized in the Table below. These costs are to be recovered from November 1, 2012 through to April 30, 2014.

B. THE APPLICATION

Approvals Sought

Board Staff had no concerns with the updated evidence Festival provided based on IR's received from both Board Staff and VECC. Board Staff had no concerns with Festival's methodology for the allocation of costs as proposed in response to Board Staff IR's 13b and 14b.

Festival agrees with the Board Staff Submission and the revised class-specific SMDRs and SMIRRs included in the Board Staff submission. Festival has added a column titled Revised (RS) to show the revised requested residential and GS<50 SMDR as a result of Board Staff questions in their draft submission. Documentation on how these revised SMDR's were calculated is included in the section of our reply submission dealing with foregone revenues.

Festival Original and Revised SMDRs and SMIRRs					
Class	SMDR (\$/month, for 18 months)			SMIRR (\$/month)	
	Original	Revised (IR)	Revised (RS)	Original	Revised (IR)
Residential	-0.92	-0.73	0.20	2.47	2.79
GS<50 kW	2.17	0.81	2.38	6.01	4.72

Festival requests that the Board approve the revised SMDR of \$0.20 for the residential class and \$2.38 for the GS<50 class and SMIRR of \$2.79 for the residential class and \$4.72 for the GS<50 class to become effective November 1, 2012.

Minimum Functionality

Board Staff noted that Hydro One's smart meters have super capacitors that are "beyond minimum functionality" that allow the smart meters, collectors and repeaters to provide more SCADA-like functions. As such, Festival confirms that the meters purchased from Trilliant do have this functionality similar to the meters purchased by Hydro One. Festival justifies the added functionality as a prudently incurred cost as the super capacitors were included in the base meter model from Trilliant and in order for Festival to purchase the meters at the Hydro One contract price, the base model was required to be purchased. Festival notes the price per meter to Festival would've increased as our order quantity was significantly smaller than the base model ordered by Hydro One, and deviating from a base model incurs additional cost.

Festival agrees with the Board Staff Submission and notes that the meter cost, including the super capacitors that are beyond minimum functionality were prudently incurred costs given the circumstances under which the meter order was made following the Hydro One procurement process and in order to receive the same price per meter offered to Hydro One.

Prudence of Smart Meter Costs

Board Staff observed that Festival's costs are towards the higher average cost per meter. Board Staff is of the view however that Festival has provided adequate documentation on prudence of the costs for which Festival is seeking approval. Board Staff also observed that the proposed SMIRR is \$2.79/month for residential customers and this is below the range of \$3 to \$4 that was originally estimated in the Board's Report on smart meters in 2005. Festival would note that its costs are less than the average cost per meter of \$226.92 provided in the Board's update.

The Board has a well documented approach to prudence. The courts have accepted the Board's approach to a prudence review in *Enbridge Gas Distribution Inc. v. Ontario Energy Board*, 2005, CanLII 4941 (ON SCDC) which is reproduced below:

“The Board agrees that a review of prudence involves the following:

- ◆ Decisions made by the utility's management should generally be presumed to be prudent unless challenged on reasonable grounds.
- ◆ To be prudent, a decision must have been reasonable under the circumstances that were known or ought to have been known to the utility at the time the decision was made.
- ◆ Hindsight should not be used in determining prudence, although consideration of the outcome of the decision may legitimately be used to overcome the presumption of prudence.
- ◆ Prudence must be determined in a retrospective factual inquiry, in that the evidence must be concerned with the time the decision was made and must be based on facts about the elements that could or did enter into the decision at the time.”

As such, the starting point is to assume the costs are prudently incurred and it is incumbent upon the challenger to allege reasonable grounds for questioning the prudence of the costs. Therefore it is incumbent upon the challenger, VECC, to raise reasonable grounds for questioning the costs. Festival would submit that VECC has failed to raise reasonable grounds. Festival would note that it was not challenged on the process it utilized in carrying out the work nor was it alleged that any particular costs – aside from questioning the super capacitors discussed above – were imprudently incurred and the Board has approved such costs in other proceedings.

VECC acknowledges that the Board has used the provincial smart meter review data has been used as a metric to test reasonableness of costs to date. However, VECC has suggested that the Board depart from its usual practice and use the subset of an LDC peer group. Festival does not support this approach and submits VECC has not sufficiently demonstrated that this is a sound approach for a proper prudence analysis – which as the challenger it is obligated to demonstrate.

The prudence analysis specifically prohibits the use of hindsight. A post-installation comparison of costs against a select group of utilities is using hindsight to allege some sort of imprudence. As noted, the process and decision making of Festival has not been demonstrated to be flawed in any respect.

Further, Festival would note that the analysis used by VECC is lacking in a number of ways: (i) meter procurement process; (ii) customer mix; (iii) number of customers and (iv) exclusion of costs. Festival would note that this is not an exhaustive list but is illustrative of the flaws of VECC's proposed approach.

- i. **Meter Procurement Process:** Festival would note that Bluewater and Welland used a different permitted meter procurement process – the London Hydro process – while Festival used the Hydro One approved process.
- ii. **Customer Mix:** Festival would note that the analysis does not take into account the percentage of residential customers within the overall deployment of smart meters. Welland has a disproportionately high number of residential customers (92.2%) as compared to Festival (89.8%) which lowers the overall average cost. The cost of the GS<50kW meters is significantly higher and therefore a larger proportion of commercial meters will automatically raise the average costs.
- iii. **Number of Customers:** Festival would note that Bluewater has almost twice the number of customers and therefore certain costs can be allocated over a larger number of customers without having regard to the prudence of the underlying cost.

- iv. **Exclusion of Costs:** Festival would note the Welland has specifically excluded costs related to the CIS/Billing system while other applications have included such costs. Therefore, the underlying analysis does not have the same base of costs and so the average is understated for the complete suite of activities and the deviation from the “stated average” is misleading.

Festival notes that Board Staff has, consistent with other recent submissions, compared Festival’s per meter cost to the average cost in the most recent Smart Meter Investment monitoring report and Festival submits that this is a fair and consistent practice in order to support their opinion as to the prudence of our costs. There has not been any decision or cost identified that has fallen below the standard expected of a utility in Ontario and therefore Festival should be permitted to recover such costs.

Foregone Revenues

Board Staff observes that, if the SMDR and SMIRR are both effective November 1, 2012, the SMIRR will only be in effect for 18 months (from November 1, 2012 to April 30, 2014). The SMIRR is a rate adjustment to recover the ongoing (prospective) capital-related and operating expenses for installed smart meters. In effect, Festival would not be recovering these costs for the period from May 1 to October 31, 2012.

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. The SMDR can be adjusted to account for six months of foregone SMIRR revenues from May 1, 2012 to October 31, 2012.

Board Staff observes that this approach can be applied at a customer class level to calculate revised class-specific SMDRs. Board Staff requested that Festival provide responses to specific questions as follows in its reply submission.

- a) Festival's views on the appropriateness of "bumping up" the deferred revenue requirement to be recovered through the SMDR to recover the foregone SMIRR revenues for the period May 1 to October 31, 2012.

Festival notes that as the SMIRR is intended to reflect the ongoing revenue requirement in advance of a distributor's next cost of service application. In proposing an effective start date of the SMIRR of November 1, 2012, Festival is effectively foregoing six months of revenue recovery of the SMIRR, related to current capital and operating costs of deployed smart meters. Festival therefore feels it is appropriate to recognize this revenue by bumping up the deferred revenue requirement to be recovered through the SMDR.

- b) If Festival proposes to avail itself of this approach, the re-estimated class-specific SMDRs including estimated foregone SMIRR revenues for the period May 1 to October 31, 2012, including calculations and any applicable spreadsheets.

Festival has included in the appendices, a model for residential customers and a model for GS<50 customers. Both models include a calculation of the estimated foregone revenues for May 1, 2012 – October 31, 2012. The table below summarizes these calculations and the revised SMDR amounts proposed.

Class	SMDR (\$/month, for 18 months)		SMDR Revision in Reply Submission		
	Original	Revised in IR	Forgone Revenue	Revised NDRR	Revised SMDR
Residential	-\$ 0.92	-\$ 0.73	\$ 297,871.56	\$ 65,013.14	\$ 0.20
GS<50 kW	\$ 2.17	\$ 0.81	\$ 56,243.52	\$ 85,091.79	\$ 2.38

Festival submits that the revised SMDR amount of \$0.20 for residential customers and \$2.38 for GS<50 customers should be recovered in order to account for the revenue requirement related to the period from May 1, 2012 to October 31, 2012.

Stranded Meters

Board Staff submits that Festival's proposal to not dispose of stranded meters at this time, but deal with the disposition in its next rebasing application, is in accordance with Guideline G-2011-0001.

Festival agrees with the Board Staff submission.

Operational Efficiencies

Board Staff takes no issue with Festival's explanations in regards to operational efficiencies, and recognizes that it may take time for further savings to be recognized. Board staff submits that Festival should be prepared to further address any operational efficiency in its next cost of service rebasing application.

Festival agrees with the Board Staff submission and will review operational efficiencies due to smart meter implementation again during our cost of service application to determine if our existing experiences have changed resulting in some efficiency beyond the reduction in meter reading costs.

GS > 50 kW Customers

Board Staff submits that Festival's explanation that any cross-subsidization occurring towards GS >50 kW customers for services such as automated data collection and web presentment that they also receive is minimal, is reasonable. Board Staff expects that an amendment through an updated cost allocation study filed as part of Festival's next cost of service rate application will satisfy this.

Festival agrees with the Board Staff submission.

CONCLUSION

Based upon the foregoing, Festival submits its costs are reasonable and the proposed rates are just and reasonable and should be approved by the Board as requested. Festival will withhold comment at this time regarding VECC's claims for costs until it has had the opportunity to review the claim.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Mr. Bill Zehr, President
Festival Hydro Inc.



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Festival Hydro Inc.

Festival Hydro Inc. - Hensall

Application Contact Information

Name: Kelly McCann

Title: Financial & Regulatory Manager

Phone Number: 519-271-4703 x 221

Email Address: kmccann@festivalhydro.com

We are applying for rates effective: November 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results. The use of any models and spreadsheets does not automatically imply Board approval. The onus is on the distributor to prepare, document and support its application. Board-issued Excel models and spreadsheets are offered to assist parties in providing the necessary information so as to facilitate an expeditious review of an application. The onus remains on the applicant to ensure the accuracy of the data and the results.



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					203	17,430	18	0	17651
General Service < 50 kW					0				0
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)		0	0	0	203	17430	18	0	17651
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed		0.00%	0.00%	0.00%	1.15%	99.90%	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	203	17430	18	0	17651
1 Capital Costs									
1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)									
		Asset Type							
		Asset type must be selected to enable calculations							
1.1.1 Smart Meters (may include new meters and modules, etc.)	Smart Meter	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	\$ 2,100,103
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter					294,525	6,504		\$ 301,029
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware					18,146			\$ 18,146
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)	Computer Software					13,861			\$ 13,861
Total Advanced Metering Communications Devices (AMCD)		\$ -	\$ -	\$ -	\$ -	\$ 2,430,205	\$ 2,934	\$ -	\$ 2,433,139
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)									
		Asset Type							
1.2.1 Collectors	Smart Meter	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	\$ 172,830
1.2.2 Repeaters (may include radio licence, etc.)	Smart Meter					68	1,528		\$ 1,595
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter					38,141	5,240	2,580	\$ 45,961
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)		\$ -	\$ -	\$ -	\$ -	\$ 211,039	\$ 6,767	\$ 2,580	\$ 220,386

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

1.3.1 Computer Hardware

1.3.2 Computer Software

1.3.3 Computer Software Licences & Installation (includes hardware and software)
(may include AS/400 disk space, backup and recovery computer, UPS, etc.)

Total Advanced Metering Control Computer (AMCC)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Computer Hardware					7,944			\$ 7,944
Computer Software					12,800			\$ 12,800
Computer Software					71,253			\$ 71,253
	\$ -	\$ -	\$ -	\$ -	91,997	\$ -	\$ -	\$ 91,997

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

1.5.1 Customer Equipment (including repair of damaged equipment)

1.5.2 AMI Interface to CIS

1.5.3 Professional Fees

1.5.4 Integration

1.5.5 Program Management

1.5.6 Other AMI Capital

Total Other AMI Capital Costs Related to Minimum Functionality

Total Capital Costs Related to Minimum Functionality

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
								\$ -
Computer Software					11,509	5,386		\$ 16,895
Smart Meter				6,770				\$ 6,770
Computer Software						21,582		\$ 21,582
Other Equipment					28,734	17,304		\$ 46,038
Other Equipment							844	\$ 844
	\$ -	\$ -	\$ -	6,770	40,243	44,272	844	\$ 92,128
	\$ -	\$ -	\$ -	6,770	2,773,484	53,973	3,424	\$ 2,837,650

1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY

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

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.

Total Capital Costs Beyond Minimum Functionality

Total Smart Meter Capital Costs

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Computer Software								\$ -
Applications Software								\$ -
Other Equipment					8,677	97,972	23,732	\$ 130,381
	\$ -	\$ -	\$ -	\$ -	8,677	97,972	23,732	\$ 130,381
	\$ -	\$ -	\$ -	6,770	2,782,161	151,944	27,155	\$ 2,968,031

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)

Meter troubleshooting

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)

AMCC IT position

Total Incremental AMCC OM&A Costs

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify)

Communication services

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

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 MDM/R, 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	Forecast	
					310	3,924		\$ 4,234
						17,830	22,382	\$ 40,212
	\$ -	\$ -	\$ -	\$ -	\$ 310	\$ 21,754	\$ 22,382	\$ 44,446
								\$ -
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
							8,360	\$ 8,360
						17,398	27,062	\$ 44,460
							35,589	\$ 35,589
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,398	\$ 71,011	\$ 88,410
					14,204			\$ 14,204
					50,110	95,242	11,345	\$ 156,697
	\$ -	\$ -	\$ -	\$ -	\$ 64,314	\$ 95,242	\$ 11,345	\$ 170,901
								\$ -
					17,547	1,590	6,916	\$ 26,053
								\$ -
								\$ -
					21,574		836	\$ 22,411
						155	64	\$ 219
	\$ -	\$ -	\$ -	\$ -	\$ 39,121	\$ 1,745	\$ 7,816	\$ 48,683
	\$ -	\$ -	\$ -	\$ -	\$ 103,745	\$ 136,139	\$ 112,555	\$ 352,439
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual		
								\$ -
								\$ -
						33,634	103,509	\$ 137,143
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,634	\$ 103,509	\$ 137,143
	\$ -	\$ -	\$ -	\$ -	\$ 103,745	\$ 169,773	\$ 216,064	\$ 489,582

3 Aggregate Smart Meter Costs by Category

3.1	Capital																
3.1.1	Smart Meter	\$	-	\$	-	\$	-	\$	6,770	\$	2,609,237	\$	9,701	\$	2,580	\$	2,628,288
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	-	\$	26,090	\$	-	\$	-	\$	26,090
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	-	\$	109,423	\$	26,968	\$	-	\$	136,391
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	37,411	\$	115,276	\$	24,575	\$	177,262
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.7	Total Capital Costs	\$	-	\$	-	\$	-	\$	6,770	\$	2,782,161	\$	151,944	\$	27,155	\$	2,968,031
3.2	OM&A Costs																
3.2.1	Total OM&A Costs	\$	-	\$	-	\$	-	\$	-	\$	103,745	\$	169,773	\$	216,064	\$	489,582



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure¹							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares							
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%	2.07%	2.07%	2.07%
Long-term Debt Rate (actual/embedded/deemed) ²	7.25%	7.25%	7.25%	7.25%	5.68%	5.68%	5.68%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares							
WACC	8.13%	8.13%	8.07%	8.01%	7.20%	7.20%	7.20%
Working Capital Allowance							
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
<i>(% of the sum of Cost of Power + controllable expenses)</i>							
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
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	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	8	8	8	8	8	8	8
Smart Meters - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Computer Equipment - CCA Class	45	50	50	52	52	52	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	100%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class							
Applications Software - CCA Rate							

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

Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 6,770	\$ 2,616,007	\$ 2,625,708
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 6,770	\$ 2,609,237	\$ 9,701	\$ 2,580
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 6,770	\$ 2,616,007	\$ 2,625,708	\$ 2,628,288
Accumulated Depreciation							
Opening Balance		\$ -	\$ -	\$ -	\$ 226	\$ 87,652	\$ 262,375
Amortization expense during year	\$ -	\$ -	\$ -	\$ 226	\$ 87,426	\$ 174,724	\$ 175,133
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 226	\$ 87,652	\$ 262,375	\$ 437,509
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 6,544	\$ 2,528,355	\$ 2,363,332
Closing Balance	\$ -	\$ -	\$ -	\$ 6,544	\$ 2,528,355	\$ 2,363,332	\$ 2,190,779
Average Net Book Value	\$ -	\$ -	\$ -	\$ 3,272	\$ 1,267,450	\$ 2,445,844	\$ 2,277,056
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ 26,090	\$ 26,090
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 26,090	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 26,090	\$ 26,090	\$ 26,090
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,609	\$ 7,827
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ 2,609	\$ 5,218	\$ 5,218
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 2,609	\$ 7,827	\$ 13,045
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,481	\$ 18,263
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 23,481	\$ 18,263	\$ 13,045
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 11,741	\$ 20,872	\$ 15,654
Net Fixed Assets - Computer Software (including Applications Software)							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ 109,423	\$ 136,391
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 109,423	\$ 26,968	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 109,423	\$ 136,391	\$ 136,391
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,942	\$ 35,524
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ 10,942	\$ 24,581	\$ 27,278
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 10,942	\$ 35,524	\$ 62,802
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,481	\$ 100,867
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 98,481	\$ 100,867	\$ 73,589
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 49,240	\$ 99,674	\$ 87,228

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		\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 152,687
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 115,276	\$ 24,575
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 152,687	\$ 177,262

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 1,871	-\$ 11,375
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	-\$ 1,871	-\$ 9,505	-\$ 16,497
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	-\$ 1,871	-\$ 11,375	-\$ 27,873

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ 141,312
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ 141,312	\$ 149,389
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 17,770	\$ 88,426	\$ 145,351



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 3,272	\$ 1,267,450	\$ 2,445,844	\$ 2,277,056
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 11,741	\$ 20,872	\$ 15,654
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 49,240	\$ 99,674	\$ 87,228
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 17,770	\$ 88,426	\$ 145,351
Total Net Fixed Assets	\$ -	\$ -	\$ -	\$ 3,272	\$ 1,346,201	\$ 2,654,816	\$ 2,525,288
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ -	\$ 103,745	\$ 169,773	\$ 216,064
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ 15,562	\$ 25,466	\$ 32,410
Incremental Smart Meter Rate Base	\$ -	\$ -	\$ -	\$ 3,272	\$ 1,361,763	\$ 2,680,282	\$ 2,557,698
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 54,471	\$ 107,211	\$ 102,308
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 1,855	\$ 762,587	\$ 1,500,958	\$ 1,432,311
Equity	\$ -	\$ -	\$ -	\$ 1,417	\$ 544,705	\$ 1,072,113	\$ 1,023,079
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ -	\$ -	\$ 3,272	\$ 1,361,763	\$ 2,680,282	\$ 2,557,698
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 1,128	\$ 2,219	\$ 2,118
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 135	\$ 43,315	\$ 85,254	\$ 81,355
Equity	\$ -	\$ -	\$ -	\$ 128	\$ 53,653	\$ 105,603	\$ 100,773
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ -	\$ -	\$ 262	\$ 98,096	\$ 193,077	\$ 184,246
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 103,745	\$ 169,773	\$ 216,064
Amortization Expenses (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 226	\$ 87,426	\$ 174,724	\$ 175,133
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,609	\$ 5,218	\$ 5,218
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 10,942	\$ 24,581	\$ 27,278
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 1,871	\$ 9,505	\$ 16,497
Total Amortization Expense in Year	\$ -	\$ -	\$ -	\$ 226	\$ 102,848	\$ 214,028	\$ 224,127
Incremental Revenue Requirement before Taxes/PILs	\$ -	\$ -	\$ -	\$ 488	\$ 304,689	\$ 576,878	\$ 624,437
Calculation of Taxable Income							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 103,745	\$ 169,773	\$ 216,064
Amortization Expense	\$ -	\$ -	\$ -	\$ 226	\$ 102,848	\$ 214,028	\$ 224,127
Interest Expense	\$ -	\$ -	\$ -	\$ 135	\$ 44,442	\$ 87,474	\$ 83,473
Net Income for Taxes/PILs	\$ -	\$ -	\$ -	\$ 128	\$ 53,653	\$ 105,603	\$ 100,773
Grossed-up Taxes/PILs (from Sheet 7)	\$ -	\$ -	\$ -	\$ 144.76	\$ 72,143.13	\$ 99,014.11	\$ 29,209.38
Revenue Requirement, including Grossed-up Taxes/PILs	\$ -	\$ -	\$ -	\$ 343	\$ 232,546	\$ 477,864	\$ 595,228



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

For PILs Calculation

UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 6,092.86	\$ 2,353,187.32	\$ 1,891,280.77
Capital Additions	\$ -	\$ -	\$ -	\$ 6,769.84	\$ 2,609,236.70	\$ 9,701.02	\$ 2,580.07
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 6,769.84	\$ 2,615,329.56	\$ 2,362,888.34	\$ 1,893,860.85
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 3,384.92	\$ 1,304,618.35	\$ 4,850.51	\$ 1,290.04
Reduced UCC	\$ -	\$ -	\$ -	\$ 3,384.92	\$ 1,310,711.21	\$ 2,358,037.83	\$ 1,892,570.81
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 676.98	\$ 262,142.24	\$ 471,607.57	\$ 378,514.16
Closing UCC	\$ -	\$ -	\$ -	\$ 6,092.86	\$ 2,353,187.32	\$ 1,891,280.77	\$ 1,515,346.68

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 13,483.76
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 26,090.00	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 109,423.14	\$ 26,967.52	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 135,513.14	\$ 94,724.09	\$ 13,483.76
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 13,483.76	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 81,240.33	\$ 13,483.76
CCA Rate Class	45	50	50	52	52	52	50
CCA Rate	45%	55%	55%	100%	100%	100%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 81,240.33	\$ 7,416.07
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 13,483.76	\$ 6,067.69

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,670.21	\$ 130,684.50
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 37,411.35	\$ 115,275.92	\$ 24,575.18
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 37,411.35	\$ 148,946.13	\$ 155,259.68
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 18,705.67	\$ 57,637.96	\$ 12,287.59
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 18,705.67	\$ 91,308.17	\$ 142,972.09
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 3,741.13	\$ 18,261.63	\$ 28,594.42
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 33,670.21	\$ 130,684.50	\$ 126,665.26



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	\$ -	\$ -	\$ -	\$ 127.51	\$ 53,653.45	\$ 105,603.10	\$ 100,773.29
Amortization	\$ -	\$ -	\$ -	\$ 225.66	\$ 102,847.76	\$ 214,028.11	\$ 224,126.79
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 676.98	\$ 262,142.24	\$ 471,607.57	\$ 378,514.16
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 81,240.33	\$ 7,416.07
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 3,741.13	\$ 18,261.63	\$ 28,594.42
Change in taxable income	\$ -	\$ -	\$ -	\$ 323.81	\$ 177,138.73	\$ 251,478.31	\$ 89,624.57
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 106.86	\$ 52,273.64	\$ 71,042.62	\$ 22,029.72
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ -	\$ -	\$ 6,544.18	\$ 2,528,355.00	\$ 2,363,332.22	\$ 2,190,779.12
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 23,481.00	\$ 18,263.00	\$ 13,045.00
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ 98,480.82	\$ 100,866.96	\$ 73,588.83
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 35,540.78	\$ 141,311.77	\$ 149,389.46
Rate Base	\$ -	\$ -	\$ -	\$ 6,544.18	\$ 2,685,857.61	\$ 2,623,773.94	\$ 2,426,802.41
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 6,544.18	\$ 2,685,857.61	\$ 2,623,773.94	\$ 2,426,802.41
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)	\$ -	\$ -	\$ -	\$ 14.72	\$ 2,014.39	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 106.86	\$ 52,273.64	\$ 71,042.62	\$ 22,029.72
Change in OCT	\$ -	\$ -	\$ -	\$ 14.72	\$ 2,014.39	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 92.13	\$ 50,259.25	\$ 71,042.62	\$ 22,029.72
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 159.49	\$ 74,157.53	\$ 99,014.11	\$ 29,209.38
Change in OCT	\$ -	\$ -	\$ -	\$ 14.72	\$ 2,014.39	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 144.76	\$ 72,143.13	\$ 99,014.11	\$ 29,209.38



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 4,924.94	4.14%	\$ -	\$ 4,924.94		\$ 0.31
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 4,924.94	\$ 4,924.94	4.14%	\$ 16.99	\$ 9,866.87		\$ 0.31
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 9,849.88	\$ 4,924.94	4.59%	\$ 37.68	\$ 14,812.50		\$ 0.31
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 14,774.82	\$ 4,924.94	4.59%	\$ 56.51	\$ 19,756.27		\$ 0.31
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 19,699.76	\$ 4,924.94	4.59%	\$ 75.35	\$ 24,700.05		\$ 0.31
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 24,624.70	\$ 4,924.94	4.59%	\$ 94.19	\$ 29,643.83		\$ 0.31
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 29,549.64	\$ 4,924.94	4.59%	\$ 113.03	\$ 34,587.61		\$ 0.31
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 34,474.58	\$ 4,924.94	4.59%	\$ 131.87	\$ 39,531.39	\$ 39,925.14	\$ 0.31
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 39,399.52	\$ 4,781.93	4.59%	\$ 150.70	\$ 44,332.15		\$ 0.31
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 44,181.45	\$ 4,781.93	4.59%	\$ 168.99	\$ 49,132.38		\$ 0.31
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 48,963.39	\$ 4,781.93	4.59%	\$ 187.28	\$ 53,932.60		\$ 0.31
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 53,745.32	\$ 4,781.93	4.59%	\$ 205.58	\$ 58,732.84		\$ 0.31
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 58,527.26	\$ 4,781.93	4.59%	\$ 223.87	\$ 63,533.06		\$ 0.26
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 63,309.19	\$ 4,781.93	4.59%	\$ 242.16	\$ 68,333.29		\$ 0.26
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 68,091.13	\$ 4,781.93	4.59%	\$ 260.45	\$ 73,133.51		\$ 0.26
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 72,873.06	\$ 4,781.93	4.59%	\$ 278.74	\$ 77,933.73		\$ 0.26
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 77,654.99	\$ 4,781.93	4.59%	\$ 297.03	\$ 82,733.96		\$ 0.26
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 82,436.93	\$ 4,781.93	5.14%	\$ 353.10	\$ 87,571.96		\$ 0.26
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 87,218.86	\$ 4,781.93	5.14%	\$ 373.59	\$ 92,374.39		\$ 0.26
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 92,000.80	\$ 4,781.93	5.14%	\$ 394.07	\$ 97,176.80	\$ 60,518.77	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 96,782.73	\$ 4,502.44	5.14%	\$ 414.55	\$ 101,699.72		\$ 0.26
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 101,285.17	\$ 4,502.44	5.14%	\$ 433.84	\$ 106,221.45		\$ 0.26
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ 105,787.61	\$ 4,502.44	5.14%	\$ 453.12	\$ 110,743.16		\$ 0.26
2012 Q4		4.29%	Apr-08	2008	Q2	\$ 110,290.04	\$ 4,502.44	4.08%	\$ 374.99	\$ 115,167.47		\$ 0.26
			May-08	2008	Q2	\$ 114,792.48	\$ 4,502.44	4.08%	\$ 390.29	\$ 119,685.21		\$ 1.00
			Jun-08	2008	Q2	\$ 119,294.92	\$ 4,502.44	4.08%	\$ 405.60	\$ 124,202.96		\$ 1.00
			Jul-08	2008	Q3	\$ 123,797.36	\$ 4,502.44	3.35%	\$ 345.60	\$ 128,645.39		\$ 1.00
			Aug-08	2008	Q3	\$ 128,299.79	\$ 4,502.44	3.35%	\$ 358.17	\$ 133,160.40		\$ 1.00
			Sep-08	2008	Q3	\$ 132,802.23	\$ 4,502.44	3.35%	\$ 370.74	\$ 137,675.41		\$ 1.00
			Oct-08	2008	Q4	\$ 137,304.67	\$ 4,502.44	3.35%	\$ 383.31	\$ 142,190.42		\$ 1.00
			Nov-08	2008	Q4	\$ 141,807.11	\$ 4,502.44	3.35%	\$ 395.88	\$ 146,705.42		\$ 1.00
			Dec-08	2008	Q4	\$ 146,309.54	\$ 4,502.44	3.35%	\$ 408.45	\$ 151,220.43	\$ 58,763.79	\$ 1.00
			Jan-09	2009	Q1	\$ 150,811.98	\$ 13,140.28	2.45%	\$ 307.91	\$ 164,260.17		\$ 1.00
			Feb-09	2009	Q1	\$ 163,952.26	\$ 13,140.28	2.45%	\$ 334.74	\$ 177,427.28		\$ 1.00
			Mar-09	2009	Q1	\$ 177,092.54	\$ 13,140.28	2.45%	\$ 361.56	\$ 190,594.38		\$ 1.00
			Apr-09	2009	Q2	\$ 190,232.82	\$ 13,140.28	1.00%	\$ 158.53	\$ 203,531.63		\$ 1.00
			May-09	2009	Q2	\$ 203,373.10	\$ 13,140.28	1.00%	\$ 169.48	\$ 216,682.86		\$ 1.00
			Jun-09	2009	Q2	\$ 216,513.38	\$ 13,140.28	1.00%	\$ 180.43	\$ 229,834.09		\$ 1.00
			Jul-09	2009	Q3	\$ 229,653.66	\$ 13,140.28	0.55%	\$ 105.26	\$ 242,899.19		\$ 1.00
			Aug-09	2009	Q3	\$ 242,793.93	\$ 13,140.28	0.55%	\$ 111.28	\$ 256,045.49		\$ 1.00
			Sep-09	2009	Q3	\$ 255,934.21	\$ 13,140.28	0.55%	\$ 117.30	\$ 269,191.79		\$ 1.00
			Oct-09	2009	Q4	\$ 269,074.49	\$ 13,140.28	0.55%	\$ 123.33	\$ 282,338.10		\$ 1.00
			Nov-09	2009	Q4	\$ 282,214.77	\$ 13,140.28	0.55%	\$ 129.35	\$ 295,484.40		\$ 1.00
			Dec-09	2009	Q4	\$ 295,355.05	\$ 13,140.28	0.55%	\$ 135.37	\$ 308,630.70	\$ 159,917.89	\$ 1.00
			Jan-10	2010	Q1	\$ 308,495.33	\$ 17,557.96	0.55%	\$ 141.39	\$ 326,194.68		\$ 1.00
			Feb-10	2010	Q1	\$ 326,053.29	\$ 17,557.96	0.55%	\$ 149.44	\$ 343,760.68		\$ 1.00
			Mar-10	2010	Q1	\$ 343,611.24	\$ 17,557.96	0.55%	\$ 157.49	\$ 361,326.69		\$ 1.00
			Apr-10	2010	Q2	\$ 361,169.20	\$ 17,557.96	0.55%	\$ 165.54	\$ 378,892.70		\$ 1.00
			May-10	2010	Q2	\$ 378,727.16	\$ 17,557.96	0.55%	\$ 173.58	\$ 396,458.69		\$ 1.00
			Jun-10	2010	Q2	\$ 396,285.11	\$ 17,557.96	0.55%	\$ 181.63	\$ 414,024.70		\$ 1.00
			Jul-10	2010	Q3	\$ 413,843.07	\$ 17,557.96	0.89%	\$ 306.93	\$ 431,707.96		\$ 1.00
			Aug-10	2010	Q3	\$ 431,401.03	\$ 17,557.96	0.89%	\$ 319.96	\$ 449,278.94		\$ 1.00
			Sep-10	2010	Q3	\$ 448,958.98	\$ 17,557.96	0.89%	\$ 332.98	\$ 466,849.92		\$ 1.00
			Oct-10	2010	Q4	\$ 466,516.94	\$ 17,557.96	1.20%	\$ 466.52	\$ 484,541.42		\$ 1.00
			Nov-10	2010	Q4	\$ 484,074.90	\$ 17,557.96	1.20%	\$ 484.07	\$ 502,116.92		\$ 1.00
			Dec-10	2010	Q4	\$ 501,632.85	\$ 17,557.96	1.20%	\$ 501.63	\$ 519,692.44	\$ 214,076.64	\$ 1.00
			Jan-11	2011	Q1	\$ 519,190.81	\$ 23,110.01	1.47%	\$ 636.01	\$ 542,936.83		\$ 1.00
			Feb-11	2011	Q1	\$ 542,300.82	\$ 23,110.01	1.47%	\$ 664.32	\$ 566,075.14		\$ 1.00
			Mar-11	2011	Q1	\$ 565,410.82	\$ 23,110.01	1.47%	\$ 692.63	\$ 589,213.46		\$ 1.00
			Apr-11	2011	Q2	\$ 588,520.83	\$ 23,110.01	1.47%	\$ 720.94	\$ 612,351.77		\$ 1.00
			May-11	2011	Q2	\$ 611,630.83	\$ 23,110.01	1.47%	\$ 749.25	\$ 635,490.09		\$ 1.52
			Jun-11	2011	Q2	\$ 634,740.84	\$ 23,110.01	1.47%	\$ 777.56	\$ 658,628.40		\$ 1.52
			Jul-11	2011	Q3	\$ 657,850.84	\$ 23,110.01	1.47%	\$ 805.87	\$ 681,766.72		\$ 1.52
			Aug-11	2011	Q3	\$ 680,960.85	\$ 23,110.01	1.47%	\$ 834.18	\$ 704,905.03		\$ 1.52
			Sep-11	2011	Q3	\$ 704,070.85	\$ 23,110.01	1.47%	\$ 862.49	\$ 728,043.35		\$ 1.52
			Oct-11	2011	Q4	\$ 727,180.86	\$ 23,110.01	1.47%	\$ 890.80	\$ 751,181.66		\$ 1.52
			Nov-11	2011	Q4	\$ 750,290.86	\$ 23,110.01	1.47%	\$ 919.11	\$ 774,319.98		\$ 1.52
			Dec-11	2011	Q4	\$ 773,400.87	\$ 23,110.01	1.47%	\$ 947.42	\$ 797,458.29	\$ 286,820.64	\$ 1.52



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
			Jan-12	2012	Q1	\$ 796,510.87	\$ 27,143.86	1.47%	\$ 975.73	\$ 824,630.46		\$ 1.52
			Feb-12	2012	Q1	\$ 823,654.73	\$ 27,143.86	1.47%	\$ 1,008.98	\$ 851,807.57		\$ 1.52
			Mar-12	2012	Q1	\$ 850,798.59	\$ 27,143.86	1.47%	\$ 1,042.23	\$ 878,984.68		\$ 1.52
			Apr-12	2012	Q2	\$ 877,942.45	\$ 45,059.86	1.47%	\$ 1,075.48	\$ 924,077.79		\$ 1.52
			May-12	2012	Q2	\$ 923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99		\$ -
			Jun-12	2012	Q2	\$ 923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99		\$ -
			Jul-12	2012	Q3	\$ 923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99		\$ -
			Aug-12	2012	Q3	\$ 923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99		\$ -
			Sep-12	2012	Q3	\$ 923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99		\$ -
			Oct-12	2012	Q4	\$ 923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99		\$ -
			Nov-12	2012	Q4	\$ 923,002.31	\$ -	0.00%	\$ -	\$ 923,002.31		\$ -
			Dec-12	2012	Q4	\$ 923,002.31	\$ -	0.00%	\$ -	\$ 923,002.31	\$ 137,377.94	\$ -
Total Funding Adder Revenues Collected						\$	923,002.31		\$ 34,398.50	\$ 957,400.81	\$ 957,400.81	



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

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

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

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	OM&A Expenses	Amortization / Depreciation Expense	Closing Balance (Principal)	(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -	-	-	-	0.00%	-	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	-	-	-	-	0.00%	-	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	-	-	-	-	0.00%	-	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	-	-	-	-	4.14%	-	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	-	-	-	-	4.14%	-	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-	-	-	-	4.14%	-	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-	-	-	-	4.59%	-	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-	-	-	-	4.59%	-	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-	-	-	-	4.59%	-	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-	-	-	-	4.59%	-	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-	-	-	-	4.59%	-	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-	-	-	-	4.59%	-	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-	-	-	-	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-	-	-	-	4.59%	-	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-	-	-	-	4.59%	-	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-	-	-	-	4.59%	-	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-	-	-	-	4.59%	-	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-	-	-	-	4.59%	-	-
2010 Q3	0.89%	4.01%	Jul-07	2007	Q3	-	-	-	-	4.59%	-	-
2010 Q4	1.20%	4.29%	Aug-07	2007	Q3	-	-	-	-	4.59%	-	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-	-	-	-	4.59%	-	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-	-	-	-	5.14%	-	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-	-	-	-	5.14%	-	-
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	-	-	-	-	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	-	-	-	-	5.14%	-	-
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	-	-	-	-	5.14%	-	-
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	-	-	-	-	5.14%	-	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	-	-	-	-	4.08%	-	-
			May-08	2008	Q2	-	-	-	-	4.08%	-	-
			Jun-08	2008	Q2	-	-	-	-	4.08%	-	-
			Jul-08	2008	Q3	-	-	-	-	3.35%	-	-
			Aug-08	2008	Q3	-	-	-	-	3.35%	-	-
			Sep-08	2008	Q3	-	-	-	-	3.35%	-	-
			Oct-08	2008	Q4	-	-	-	-	3.35%	-	-
			Nov-08	2008	Q4	-	-	-	-	3.35%	-	-
			Dec-08	2008	Q4	-	-	-	-	3.35%	-	-
			Jan-09	2009	Q1	-	-	-	-	2.45%	-	-
			Feb-09	2009	Q1	-	-	-	-	2.45%	-	-
			Mar-09	2009	Q1	-	-	-	-	2.45%	-	-
			Apr-09	2009	Q2	-	-	-	-	1.00%	-	-
			May-09	2009	Q2	-	-	-	-	1.00%	-	-
			Jun-09	2009	Q2	-	-	-	-	1.00%	-	-
			Jul-09	2009	Q3	-	-	-	-	0.55%	-	-
			Aug-09	2009	Q3	-	-	-	-	0.55%	-	-
			Sep-09	2009	Q3	-	-	-	-	0.55%	-	-
			Oct-09	2009	Q4	-	-	-	-	0.55%	-	-
			Nov-09	2009	Q4	-	-	-	-	0.55%	-	-
			Dec-09	2009	Q4	-	-	-	-	0.55%	-	-
			Jan-10	2010	Q1	-	-	\$ 8,630.85	8,630.85	0.55%	-	-
			Feb-10	2010	Q1	8,630.85	\$ -	\$ 8,630.85	17,261.70	0.55%	3.96	3.96
			Mar-10	2010	Q1	17,261.70	\$ 791.77	\$ 8,630.85	26,684.32	0.55%	7.91	11.87
			Apr-10	2010	Q2	26,684.32	\$ 115.08	\$ 8,630.85	35,200.09	0.55%	12.23	24.10
			May-10	2010	Q2	35,200.09	\$ 3,279.45	\$ 8,630.85	47,110.39	0.55%	16.13	40.23
			Jun-10	2010	Q2	47,110.39	\$ 2,498.62	\$ 8,630.85	58,240.86	0.89%	21.59	61.82
			Jul-10	2010	Q3	58,240.86	\$ 2,342.55	\$ 8,630.85	69,214.30	0.89%	43.20	105.02
			Aug-10	2010	Q3	69,214.30	\$ 2,438.89	\$ 8,630.85	80,284.04	0.89%	51.33	156.35
			Sep-10	2010	Q3	80,284.04	\$ 2,477.13	\$ 8,630.85	91,392.02	0.89%	59.54	215.90
			Oct-10	2010	Q4	91,392.02	\$ 4,557.04	\$ 8,630.85	104,579.91	1.20%	91.39	307.29
			Nov-10	2010	Q4	104,579.91	\$ 3,283.72	\$ 8,630.85	116,494.48	1.20%	104.58	411.87
			Dec-10	2010	Q4	116,494.48	\$ 82,192.84	\$ 8,630.85	207,318.17	1.20%	116.49	528.36
			Jan-11	2011	Q1	207,318.17	\$ 5,067.73	\$ 14,209.50	216,459.94	1.47%	253.96	782.33
			Feb-11	2011	Q1	216,459.94	\$ 9,431.35	\$ 14,209.50	240,100.79	1.47%	265.16	1,047.49
			Mar-11	2011	Q1	240,100.79	\$ 24,066.89	\$ 14,209.50	278,377.18	1.47%	294.12	1,341.61
			Apr-11	2011	Q2	278,377.18	\$ 709.34	\$ 14,209.50	291,877.33	1.47%	341.01	1,682.63
			May-11	2011	Q2	291,877.33	\$ 236.60	\$ 14,209.50	306,323.43	1.47%	357.55	2,040.18
			Jun-11	2011	Q2	306,323.43	\$ 411.46	\$ 14,209.50	320,944.39	1.47%	375.25	2,415.42
			Jul-11	2011	Q3	320,944.39	\$ 9,663.11	\$ 14,209.50	344,817.00	1.47%	393.16	2,808.58
			Aug-11	2011	Q3	344,817.00	\$ 31,516.05	\$ 14,209.50	390,542.55	1.47%	422.40	3,230.98
			Sep-11	2011	Q3	390,542.55	\$ 16,176.56	\$ 14,209.50	420,928.61	1.47%	478.41	3,709.39
			Oct-11	2011	Q4	420,928.61	\$ 16,634.50	\$ 14,209.50	451,772.61	1.47%	515.64	4,225.03
			Nov-11	2011	Q4	451,772.61	\$ 5,265.31	\$ 14,209.50	471,247.43	1.47%	553.42	4,778.45
			Dec-11	2011	Q4	471,247.43	\$ 62,153.43	\$ 14,209.50	547,610.36	1.47%	577.28	5,355.73
			Jan-12	2012	Q1	547,610.36	\$ 9,073.73	\$ 15,076.50	571,760.59	1.47%	670.82	6,026.55
			Feb-12	2012	Q1	571,760.59	\$ 18,361.26	\$ 15,076.50	605,198.35	1.47%	700.41	6,726.96
			Mar-12	2012	Q1	605,198.35	\$ 8,441.33	\$ 15,076.50	628,716.17	1.47%	741.37	7,468.33
			Apr-12	2012	Q2	628,716.17	\$ 20,438.12	\$ 15,076.50	664,230.79	1.47%	770.18	8,238.51
			May-12	2012	Q2	664,230.79	\$ 48,476.42	\$ 15,076.50	697,794.71	1.47%	813.68	9,052.19
			Jun-12	2012	Q2	697,794.71	\$ 28,727.63	\$ 15,076.50	741,598.85	1.47%	854.80	9,906.99
			Jul-12	2012	Q3	741,598.85	\$ 18,756.50	\$ 15,076.50	775,431.85	1.47%	908.46	10,815.45
			Aug-12	2012	Q3	775,431.85	\$ 18,756.50	\$ 15,076.50	809,264.85	1.47%	949.90	11,765.35
			Sep-12	2012	Q3	809,264.85	\$ 18,756.50	\$ 15,076.50	843,097.86	1.47%	991.35	12,756.70
			Oct-12	2012	Q4	843,097.86	\$ 18,756.91	\$ 15,076.50	876,931.27	1.47%	1,032.79	13,789.49

	Nov-12	2012	Q4	876,931.27	\$ 18,756.91	\$ 15,076.50	910,764.67	0.00%	-	13,789.49
	Dec-12	2012	Q4	910,764.67	\$ 18,742.91	\$ 15,076.50	944,584.08	0.00%	-	13,789.49
				\$ 489,581.88	\$ 455,002.20	\$ 944,584.08				



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

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

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -
2007	\$ -	\$ -	\$ -	\$ -	4.73%	\$ -
2008	\$ -	\$ -	\$ -	\$ -	3.98%	\$ -
2009	\$ -	\$ 225.66	\$ 225.66	\$ 112.83	1.14%	\$ 1.28
2010	\$ 103,745.47	\$ 102,847.76	\$ 206,818.89	\$ 103,522.28	0.80%	\$ 825.59
2011	\$ 169,773.16	\$ 214,028.11	\$ 590,620.17	\$ 398,719.53	1.47%	\$ 5,861.18
2012	\$ 216,063.81	\$ 224,126.79	\$ 1,030,810.77	\$ 810,715.47	1.47%	\$ 11,917.52
Cumulative Interest to 2011						\$ 6,688.05
Cumulative Interest to 2012						\$ 18,605.57



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

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)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

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

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)	\$ -	\$ -	\$ -	\$ 342.92	\$ 232,546.04	\$ 477,863.94	\$ 595,227.53	\$ 1,305,980.43
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below)	\$ -	\$ -	\$ -	\$ -	\$ 528.36	\$ 4,827.37	\$ 8,433.76	\$ 13,789.49
<input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances)	\$ -	\$ -	\$ -	\$ -	\$ 528.36	\$ 4,827.37	\$ 8,433.76	\$ 13,789.49
<input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances)								\$ -
SMFA Revenues (from Sheet 8)	\$ 39,399.52	\$ 57,383.21	\$ 54,029.25	\$ 157,683.35	\$ 210,695.48	\$ 277,320.06	\$ 126,491.44	\$ 923,002.31
SMFA Interest (from Sheet 8)	\$ 525.62	\$ 3,135.56	\$ 4,734.54	\$ 2,234.54	\$ 3,381.16	\$ 9,500.58	\$ 10,886.50	\$ 34,398.50
Net Deferred Revenue Requirement	-\$ 39,925.14	-\$ 60,518.77	-\$ 58,763.79	-\$ 159,574.97	\$ 18,997.76	\$ 195,870.67	\$ 466,283.35	\$ 362,369.11
Number of Metered Customers (average for 2012 test year)							17794	

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

Years for collection or refunding	1.5	
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 724,542.39	
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 957,400.81	
Net Deferred Revenue Requirement	-\$ 232,858.42	
SMDR May 1, 2012 to April 30, 2014	-\$ 0.73	Match
Check: Forecasted SMDR Revenues	-\$ 233,813.16	

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

Incremental Revenue Requirement for 2012	\$ 595,227.53	
SMIRR	\$ 2.79	Match
Check: Forecasted SMIRR Revenues	\$ 595,743.12	

SMDR Revision

To Include Lost Revenue Requirement from May 1 2012 - October 31, 2012

SMIRR per model	\$ 2.79	Sheet 9, cell G74
Customers per model	17,794	Sheet 9, S46
SMIRR total per month	\$ 49,645.26	
Months lost revenue requirement (May 1, 2012 - October 31, 2012)	6.0	
Total lost revenue requirement	\$ 297,871.56	
Deferred Revenue Requirement to 2011	\$ 710,752.90	Sheet 9, M30 to Q30
Interest on OM&A and depreciation expense	\$ 13,789.49	Sheet 9, U32
SMFA Revenues to April 30, 2012	\$ 923,002.31	Sheet 9, U40
Interest on SMFA revenues	\$ 34,398.50	Sheet 9, U42
Net deferred revenue requirement to be recovered	\$ 65,013.14	
Period to be recovered over (years - November 1, 2012 - May 1, 2014)	1.5	
Number of customers	17,794	Sheet 9, S46
Revised SMDR	\$ 0.20	



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Festival Hydro Inc.

Festival Hydro Inc. - Hensall

Application Contact Information

Name: Kelly McCann

Title: Financial & Regulatory Manager

Phone Number: 519-271-4703 x 221

Email Address: kmccann@festivalhydro.com

We are applying for rates effective: November 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

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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.



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 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast	Total
Residential							0	0
General Service < 50 kW				0	1,913	86		1999
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	0	1913	86	0	1999
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	0.00%	95.70%	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	0	1913	86	0	1999

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

1.1.1 Smart Meters (may include new meters and modules, etc.)

1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)

1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)

1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)

Total Advanced Metering Communications Devices (AMCD)

Asset Type <small>Asset type must be selected to enable calculations</small>	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter					515,041	43,845	-2,343	\$ 556,543
Smart Meter					90,782	723		\$ 91,505
Computer Hardware					2,055			\$ 2,055
Computer Software					1,570			\$ 1,570
	\$ -	\$ -	\$ -	\$ -	\$ 609,448	\$ 44,568	\$ -2,343	\$ 651,673

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

1.2.1 Collectors

1.2.2 Repeaters (may include radio licence, etc.)

1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)

Total Advanced Metering Regional Collector (AMRC) (Includes LAN)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter					19,573			\$ 19,573
Smart Meter					608	13,748		\$ 14,355
Smart Meter					7,450	1,023	503	\$ 8,976
	\$ -	\$ -	\$ -	\$ -	\$ 27,630	\$ 14,771	\$ 503	\$ 42,904

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

1.3.1 Computer Hardware

1.3.2 Computer Software

1.3.3 Computer Software Licences & Installation (includes hardware and software)
(may include AS/400 disk space, backup and recovery computer, UPS, etc.)

Total Advanced Metering Control Computer (AMCC)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Computer Hardware					900			\$ 900
Computer Software					1,450			\$ 1,450
Computer Software					8,073			\$ 8,073
	\$ -	\$ -	\$ -	\$ -	\$ 10,423	\$ -	\$ -	\$ 10,423

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

1.5.1 Customer Equipment (including repair of damaged equipment)

1.5.2 AMI Interface to CIS

1.5.3 Professional Fees

1.5.4 Integration

1.5.5 Program Management

1.5.6 Other AMI Capital

Total Other AMI Capital Costs Related to Minimum Functionality

Total Capital Costs Related to Minimum Functionality

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
								\$ -
Computer Software					1,303	610		\$ 1,913
Smart Meter				767				\$ 767
Computer Software						2,444		\$ 2,444
Other Equipment					3,253	1,961		\$ 5,214
Other Equipment							95	\$ 95
	\$ -	\$ -	\$ -	\$ 767	\$ 4,556	\$ 5,016	\$ 95	\$ 10,435
	\$ -	\$ -	\$ -	\$ 767	\$ 652,057	\$ 64,354	\$ 1,745	\$ 715,434

1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY

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

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.

Total Capital Costs Beyond Minimum Functionality

Total Smart Meter Capital Costs

Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Computer Software								\$ -
Applications Software								\$ -
Other Equipment					982	11,092	2,688	\$ 14,762
	\$ -	\$ -	\$ -	\$ -	\$ 982	\$ 11,092	\$ 2,688	\$ 14,762
	\$ -	\$ -	\$ -	\$ 767	\$ 653,040	\$ 75,446	\$ 944	\$ 730,197

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)

Meter troubleshooting

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)

AMCC IT position

Total Incremental AMCC OM&A Costs

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify)

Communication services

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

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 MDM/R, 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	Forecast	
					35	444		\$ 479
						2,019	2,535	\$ 4,554
	\$ -	\$ -	\$ -	\$ -	\$ 35	\$ 2,463	\$ 2,535	\$ 5,033
								\$ -
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
							947	\$ 947
						1,970	3,065	\$ 5,035
							4,031	\$ 4,031
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,970	\$ 8,043	\$ 10,012
					1,608			\$ 1,608
					5,675	10,786	1,285	\$ 17,746
	\$ -	\$ -	\$ -	\$ -	\$ 7,283	\$ 10,786	\$ 1,285	\$ 19,354
								\$ -
					1,987	180	783	\$ 2,950
								\$ -
								\$ -
					2,443		95	\$ 2,537
					9	18	7	\$ 34
	\$ -	\$ -	\$ -	\$ -	\$ 4,438	\$ 198	\$ 885	\$ 5,521
	\$ -	\$ -	\$ -	\$ -	\$ 11,756	\$ 15,417	\$ 12,747	\$ 39,920
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual		
								\$ -
								\$ -
						3,808	11,718	\$ 15,526
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,808	\$ 11,718	\$ 15,526
	\$ -	\$ -	\$ -	\$ -	\$ 11,756	\$ 19,225	\$ 24,465	\$ 55,446

3 Aggregate Smart Meter Costs by Category

3.1	Capital											
3.1.1	Smart Meter	\$ -	\$ -	\$ -	\$ 767	\$ 633,453	\$ 59,339	-\$ 1,840	\$ 691,719			
3.1.2	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ -	\$ -	\$ 2,955			
3.1.3	Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 3,054	\$ -	\$ 15,450			
3.1.4	Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
3.1.5	Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 4,235	\$ 13,053	\$ 2,784	\$ 20,072			
3.1.6	Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
3.1.7	Total Capital Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 767</u>	<u>\$ 653,040</u>	<u>\$ 75,446</u>	<u>\$ 944</u>	<u>\$ 730,197</u>			
3.2	OM&A Costs											
3.2.1	Total OM&A Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,756</u>	<u>\$ 19,225</u>	<u>\$ 24,465</u>	<u>\$ 55,446</u>			



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure¹							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares							
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%	2.07%	2.07%	2.07%
Long-term Debt Rate (actual/embedded/deemed) ²	7.25%	7.25%	7.25%	7.25%	5.68%	5.68%	5.68%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares							
WACC	8.13%	8.13%	8.07%	8.01%	7.20%	7.20%	7.20%
Working Capital Allowance							
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
<i>(% of the sum of Cost of Power + controllable expenses)</i>							
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
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	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	8	8	8	8	8	8	8
Smart Meters - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Computer Equipment - CCA Class	45	50	50	52	52	52	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	100%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class							
Applications Software - CCA Rate							

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

Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 767	\$ 634,220	\$ 693,559
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 767	\$ 633,453	\$ 59,339	\$ 1,840
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 767	\$ 634,220	\$ 693,559	\$ 691,719
Accumulated Depreciation							
Opening Balance		\$ -	\$ -	\$ -	\$ 26	\$ 21,192	\$ 65,451
Amortization expense during year	\$ -	\$ -	\$ -	\$ 26	\$ 21,166	\$ 44,259	\$ 46,176
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 26	\$ 21,192	\$ 65,451	\$ 111,627
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 742	\$ 613,029	\$ 628,108
Closing Balance	\$ -	\$ -	\$ -	\$ 742	\$ 613,029	\$ 628,108	\$ 580,092
Average Net Book Value	\$ -	\$ -	\$ -	\$ 371	\$ 306,885	\$ 620,568	\$ 604,100
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ 2,955
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ 2,955	\$ 2,955
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 887
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 591	\$ 591
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 887	\$ 1,478
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,660	\$ 2,069
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 2,660	\$ 2,069	\$ 1,478
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 1,330	\$ 2,364	\$ 1,773
Net Fixed Assets - Computer Software (including Applications Software)							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 15,450
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 3,054	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 15,450	\$ 15,450
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 4,024
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 2,785	\$ 3,090
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 4,024	\$ 7,114
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,156	\$ 11,426
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 11,156	\$ 11,426	\$ 8,336
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 5,578	\$ 11,291	\$ 9,881

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		\$ -	\$ -	\$ -	\$ -	\$ 4,235	\$ 17,288
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ 4,235	\$ 13,053	\$ 2,784
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 4,235	\$ 17,288	\$ 20,072

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,288
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,076	\$ 1,868
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,288	\$ 3,156

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,024	\$ 16,000
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 4,024	\$ 16,000	\$ 16,916
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ 2,012	\$ 10,012	\$ 16,458



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 371	\$ 306,885	\$ 620,568	\$ 604,100
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 1,330	\$ 2,364	\$ 1,773
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 5,578	\$ 11,291	\$ 9,881
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 2,012	\$ 10,012	\$ 16,458
Total Net Fixed Assets	\$ -	\$ -	\$ -	\$ 371	\$ 315,805	\$ 644,236	\$ 632,213
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ -	\$ 11,756	\$ 19,225	\$ 24,465
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ 1,763	\$ 2,884	\$ 3,670
Incremental Smart Meter Rate Base	\$ -	\$ -	\$ -	\$ 371	\$ 317,568	\$ 647,119	\$ 635,882
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 12,703	\$ 25,885	\$ 25,435
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 210	\$ 177,838	\$ 362,387	\$ 356,094
Equity	\$ -	\$ -	\$ -	\$ 161	\$ 127,027	\$ 258,848	\$ 254,353
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ -	\$ -	\$ 371	\$ 317,568	\$ 647,119	\$ 635,882
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 263	\$ 536	\$ 527
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 15	\$ 10,101	\$ 20,584	\$ 20,226
Equity	\$ -	\$ -	\$ -	\$ 14	\$ 12,512	\$ 25,497	\$ 25,054
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ -	\$ -	\$ 30	\$ 22,876	\$ 46,616	\$ 45,806
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 11,756	\$ 19,225	\$ 24,465
Amortization Expenses (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 26	\$ 21,166	\$ 44,259	\$ 46,176
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 591	\$ 591
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 2,785	\$ 3,090
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,076	\$ 1,868
Total Amortization Expense in Year	\$ -	\$ -	\$ -	\$ 26	\$ 22,913	\$ 48,711	\$ 51,725
Incremental Revenue Requirement before Taxes/PILs	\$ -	\$ -	\$ -	\$ 55	\$ 57,546	\$ 114,552	\$ 121,997
Calculation of Taxable Income							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 11,756	\$ 19,225	\$ 24,465
Amortization Expense	\$ -	\$ -	\$ -	\$ 26	\$ 22,913	\$ 48,711	\$ 51,725
Interest Expense	\$ -	\$ -	\$ -	\$ 15	\$ 10,364	\$ 21,119	\$ 20,753
Net Income for Taxes/PILs	\$ -	\$ -	\$ -	\$ 14	\$ 12,512	\$ 25,497	\$ 25,054
Grossed-up Taxes/PILs (from Sheet 7)	\$ -	\$ -	\$ -	\$ 16.41	\$ 14,663.71	\$ 22,493.15	\$ 9,544.41
Revenue Requirement, including Grossed-up Taxes/PILs	\$ -	\$ -	\$ -	\$ 39	\$ 42,882	\$ 92,059	\$ 112,452



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

For PILs Calculation

UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 690.70	\$ 570,660.28	\$ 509,933.19
Capital Additions	\$ -	\$ -	\$ -	\$ 767.44	\$ 633,453.03	\$ 59,338.85	\$ 1,840.07
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 767.44	\$ 634,143.72	\$ 629,999.13	\$ 508,093.12
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 383.72	\$ 316,726.51	\$ 29,669.43	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 383.72	\$ 317,417.21	\$ 600,329.71	\$ 509,933.19
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 76.74	\$ 63,483.44	\$ 120,065.94	\$ 101,986.64
Closing UCC	\$ -	\$ -	\$ -	\$ 690.70	\$ 570,660.28	\$ 509,933.19	\$ 406,106.48

UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 1,527.16
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,955.00	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 12,395.99	\$ 3,054.32	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 15,350.99	\$ 10,729.82	\$ 1,527.16
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 1,527.16	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 9,202.66	\$ 1,527.16
CCA Rate Class	45	50	50	52	52	52	50
CCA Rate	45%	55%	55%	100%	100%	100%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 9,202.66	\$ 839.94
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 1,527.16	\$ 687.22

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,811.93	\$ 14,797.20
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 4,235.48	\$ 13,052.94	\$ 2,783.82
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 4,235.48	\$ 16,864.88	\$ 17,581.01
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 2,117.74	\$ 6,526.47	\$ 1,391.91
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 2,117.74	\$ 10,338.41	\$ 16,189.11
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 423.55	\$ 2,067.68	\$ 3,237.82
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 3,811.93	\$ 14,797.20	\$ 14,343.19



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	\$ -	\$ -	\$ -	\$ 14.46	\$ 12,512.20	\$ 25,496.50	\$ 25,053.76
Amortization	\$ -	\$ -	\$ -	\$ 25.58	\$ 22,913.14	\$ 48,711.15	\$ 51,725.05
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 76.74	\$ 63,483.44	\$ 120,065.94	\$ 101,986.64
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 9,202.66	\$ 839.94
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 423.55	\$ 2,067.68	\$ 3,237.82
Change in taxable income	\$ -	\$ -	\$ -	\$ 36.71	\$ 36,157.15	\$ 57,128.62	\$ 29,285.59
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 12.11	\$ 10,669.98	\$ 16,138.84	\$ 7,198.40
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ -	\$ -	\$ 741.86	\$ 613,028.62	\$ 628,108.15	\$ 580,092.12
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,659.50	\$ 2,068.50	\$ 1,477.50
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 11,156.39	\$ 11,426.09	\$ 8,336.02
(Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 4,023.71	\$ 16,000.46	\$ 16,916.24
Rate Base	\$ -	\$ -	\$ -	\$ 741.86	\$ 630,868.22	\$ 657,603.19	\$ 606,821.88
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 741.86	\$ 630,868.22	\$ 657,603.19	\$ 606,821.88
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)	\$ -	\$ -	\$ -	\$ 1.67	\$ 473.15	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 12.11	\$ 10,669.98	\$ 16,138.84	\$ 7,198.40
Change in OCT	\$ -	\$ -	\$ -	\$ 1.67	\$ 473.15	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 10.44	\$ 10,196.82	\$ 16,138.84	\$ 7,198.40
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 18.08	\$ 15,136.86	\$ 22,493.15	\$ 9,544.41
Change in OCT	\$ -	\$ -	\$ -	\$ 1.67	\$ 473.15	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 16.41	\$ 14,663.71	\$ 22,493.15	\$ 9,544.41



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 582.27	4.14%	\$ -	\$ 582.27		\$ 0.31
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 582.27	\$ 582.27	4.14%	\$ 2.01	\$ 1,166.55		\$ 0.31
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 1,164.54	\$ 582.27	4.59%	\$ 4.45	\$ 1,751.26		\$ 0.31
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 1,746.81	\$ 582.27	4.59%	\$ 6.68	\$ 2,335.76		\$ 0.31
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 2,329.08	\$ 582.27	4.59%	\$ 8.91	\$ 2,920.25		\$ 0.31
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 2,911.34	\$ 582.27	4.59%	\$ 11.14	\$ 3,504.75		\$ 0.31
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 3,493.61	\$ 582.27	4.59%	\$ 13.36	\$ 4,089.24		\$ 0.31
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 4,075.88	\$ 582.27	4.59%	\$ 15.59	\$ 4,673.74	\$ 4,720.29	\$ 0.31
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 4,658.15	\$ 555.53	4.59%	\$ 17.82	\$ 5,231.50		\$ 0.31
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 5,213.68	\$ 555.53	4.59%	\$ 19.94	\$ 5,789.16		\$ 0.31
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 5,769.22	\$ 555.53	4.59%	\$ 22.07	\$ 6,346.82		\$ 0.31
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 6,324.75	\$ 555.53	4.59%	\$ 24.19	\$ 6,904.47		\$ 0.31
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 6,880.28	\$ 555.53	4.59%	\$ 26.32	\$ 7,462.13		\$ 0.26
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 7,435.81	\$ 555.53	4.59%	\$ 28.44	\$ 8,019.79		\$ 0.26
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 7,991.35	\$ 555.53	4.59%	\$ 30.57	\$ 8,577.45		\$ 0.26
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 8,546.88	\$ 555.53	4.59%	\$ 32.69	\$ 9,135.10		\$ 0.26
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 9,102.41	\$ 555.53	4.59%	\$ 34.82	\$ 9,692.76		\$ 0.26
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 9,657.94	\$ 555.53	5.14%	\$ 41.37	\$ 10,254.85		\$ 0.26
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 10,213.48	\$ 555.53	5.14%	\$ 43.75	\$ 10,812.76		\$ 0.26
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 10,769.01	\$ 555.53	5.14%	\$ 46.13	\$ 11,370.67	\$ 7,034.50	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 11,324.54	\$ 518.84	5.14%	\$ 48.51	\$ 11,891.89		\$ 0.26
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 11,843.38	\$ 518.84	5.14%	\$ 50.73	\$ 12,412.94		\$ 0.26
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ 12,362.21	\$ 518.84	5.14%	\$ 52.95	\$ 12,934.00		\$ 0.26
2012 Q4		4.29%	Apr-08	2008	Q2	\$ 12,881.05	\$ 518.84	4.08%	\$ 43.80	\$ 13,443.68		\$ 0.26
			May-08	2008	Q2	\$ 13,399.88	\$ 518.84	4.08%	\$ 45.56	\$ 13,964.28		\$ 1.00
			Jun-08	2008	Q2	\$ 13,918.72	\$ 518.84	4.08%	\$ 47.32	\$ 14,484.88		\$ 1.00
			Jul-08	2008	Q3	\$ 14,437.56	\$ 518.84	3.35%	\$ 40.30	\$ 14,996.69		\$ 1.00
			Aug-08	2008	Q3	\$ 14,956.39	\$ 518.84	3.35%	\$ 41.75	\$ 15,516.98		\$ 1.00
			Sep-08	2008	Q3	\$ 15,475.23	\$ 518.84	3.35%	\$ 43.20	\$ 16,037.26		\$ 1.00
			Oct-08	2008	Q4	\$ 15,994.06	\$ 518.84	3.35%	\$ 44.65	\$ 16,557.55		\$ 1.00
			Nov-08	2008	Q4	\$ 16,512.90	\$ 518.84	3.35%	\$ 46.10	\$ 17,077.83		\$ 1.00
			Dec-08	2008	Q4	\$ 17,031.73	\$ 518.84	3.35%	\$ 47.55	\$ 17,598.12	\$ 6,778.45	\$ 1.00
			Jan-09	2009	Q1	\$ 17,550.57	\$ 1,509.27	2.45%	\$ 35.83	\$ 19,095.67		\$ 1.00
			Feb-09	2009	Q1	\$ 19,059.84	\$ 1,509.27	2.45%	\$ 38.91	\$ 20,608.02		\$ 1.00
			Mar-09	2009	Q1	\$ 20,569.11	\$ 1,509.27	2.45%	\$ 42.00	\$ 22,120.38		\$ 1.00
			Apr-09	2009	Q2	\$ 22,078.38	\$ 1,509.27	1.00%	\$ 18.40	\$ 23,606.05		\$ 1.00
			May-09	2009	Q2	\$ 23,587.65	\$ 1,509.27	1.00%	\$ 19.66	\$ 25,116.58		\$ 1.00
			Jun-09	2009	Q2	\$ 25,096.92	\$ 1,509.27	1.00%	\$ 20.91	\$ 26,627.10		\$ 1.00
			Jul-09	2009	Q3	\$ 26,606.19	\$ 1,509.27	0.55%	\$ 12.19	\$ 28,127.64		\$ 1.00
			Aug-09	2009	Q3	\$ 28,115.45	\$ 1,509.27	0.55%	\$ 12.89	\$ 29,637.61		\$ 1.00
			Sep-09	2009	Q3	\$ 29,624.72	\$ 1,509.27	0.55%	\$ 13.58	\$ 31,147.57		\$ 1.00
			Oct-09	2009	Q4	\$ 31,133.99	\$ 1,509.27	0.55%	\$ 14.27	\$ 32,657.53		\$ 1.00
			Nov-09	2009	Q4	\$ 32,643.26	\$ 1,509.27	0.55%	\$ 14.96	\$ 34,167.49		\$ 1.00
			Dec-09	2009	Q4	\$ 34,152.53	\$ 1,509.27	0.55%	\$ 15.65	\$ 35,677.45	\$ 18,370.48	\$ 1.00
			Jan-10	2010	Q1	\$ 35,661.80	\$ 1,990.22	0.55%	\$ 16.34	\$ 37,668.36		\$ 1.00
			Feb-10	2010	Q1	\$ 37,652.02	\$ 1,990.22	0.55%	\$ 17.26	\$ 39,659.50		\$ 1.00
			Mar-10	2010	Q1	\$ 39,642.24	\$ 1,990.22	0.55%	\$ 18.17	\$ 41,650.63		\$ 1.00
			Apr-10	2010	Q2	\$ 41,632.46	\$ 1,990.22	0.55%	\$ 19.08	\$ 43,641.76		\$ 1.00
			May-10	2010	Q2	\$ 43,622.68	\$ 1,990.22	0.55%	\$ 19.99	\$ 45,632.89		\$ 1.00
			Jun-10	2010	Q2	\$ 45,612.90	\$ 1,990.22	0.55%	\$ 20.91	\$ 47,624.04		\$ 1.00
			Jul-10	2010	Q3	\$ 47,603.13	\$ 1,990.22	0.89%	\$ 35.31	\$ 49,628.66		\$ 1.00
			Aug-10	2010	Q3	\$ 49,593.35	\$ 1,990.22	0.89%	\$ 36.78	\$ 51,620.35		\$ 1.00
			Sep-10	2010	Q3	\$ 51,583.57	\$ 1,990.22	0.89%	\$ 38.26	\$ 53,612.05		\$ 1.00
			Oct-10	2010	Q4	\$ 53,573.79	\$ 1,990.22	1.20%	\$ 53.57	\$ 55,617.58		\$ 1.00
			Nov-10	2010	Q4	\$ 55,564.01	\$ 1,990.22	1.20%	\$ 55.56	\$ 57,609.79		\$ 1.00
			Dec-10	2010	Q4	\$ 57,554.23	\$ 1,990.22	1.20%	\$ 57.55	\$ 59,602.00	\$ 24,271.43	\$ 1.00
			Jan-11	2011	Q1	\$ 59,544.45	\$ 2,600.99	1.47%	\$ 72.94	\$ 62,218.38		\$ 1.00
			Feb-11	2011	Q1	\$ 62,145.44	\$ 2,600.99	1.47%	\$ 76.13	\$ 64,822.57		\$ 1.00
			Mar-11	2011	Q1	\$ 64,746.44	\$ 2,600.99	1.47%	\$ 79.31	\$ 67,426.74		\$ 1.00
			Apr-11	2011	Q2	\$ 67,347.43	\$ 2,600.99	1.47%	\$ 82.50	\$ 70,030.92		\$ 1.00
			May-11	2011	Q2	\$ 69,948.42	\$ 2,600.99	1.47%	\$ 85.69	\$ 72,635.11		\$ 1.52
			Jun-11	2011	Q2	\$ 72,549.42	\$ 2,600.99	1.47%	\$ 88.87	\$ 75,239.28		\$ 1.52
			Jul-11	2011	Q3	\$ 75,150.41	\$ 2,600.99	1.47%	\$ 92.06	\$ 77,843.46		\$ 1.52
			Aug-11	2011	Q3	\$ 77,751.40	\$ 2,600.99	1.47%	\$ 95.25	\$ 80,447.65		\$ 1.52
			Sep-11	2011	Q3	\$ 80,352.40	\$ 2,600.99	1.47%	\$ 98.43	\$ 83,051.82		\$ 1.52
			Oct-11	2011	Q4	\$ 82,953.39	\$ 2,600.99	1.47%	\$ 101.62	\$ 85,656.00		\$ 1.52
			Nov-11	2011	Q4	\$ 85,554.38	\$ 2,600.99	1.47%	\$ 104.80	\$ 88,260.18		\$ 1.52
			Dec-11	2011	Q4	\$ 88,155.38	\$ 2,600.99	1.47%	\$ 107.99	\$ 90,864.36	\$ 32,297.51	\$ 1.52



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
			Jan-12	2012	Q1	\$ 90,756.37	\$ 3,050.09	1.47%	\$ 111.18	\$ 93,917.64		\$ 1.52
			Feb-12	2012	Q1	\$ 93,806.46	\$ 3,050.09	1.47%	\$ 114.91	\$ 96,971.47		\$ 1.52
			Mar-12	2012	Q1	\$ 96,856.56	\$ 3,050.09	1.47%	\$ 118.65	\$ 100,025.30		\$ 1.52
			Apr-12	2012	Q2	\$ 99,906.65	\$ 5,051.80	1.47%	\$ 122.39	\$ 105,080.84		\$ 1.52
			May-12	2012	Q2	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02		\$ -
			Jun-12	2012	Q2	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02		\$ -
			Jul-12	2012	Q3	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02		\$ -
			Aug-12	2012	Q3	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02		\$ -
			Sep-12	2012	Q3	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02		\$ -
			Oct-12	2012	Q4	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02		\$ -
			Nov-12	2012	Q4	\$ 104,958.45	\$ 0.00%		\$ -	\$ 104,958.45		\$ -
			Dec-12	2012	Q4	\$ 104,958.45	\$ 0.00%		\$ -	\$ 104,958.45	\$ 15,440.63	\$ -
Total Funding Adder Revenues Collected						\$	104,958.45		\$ 3,954.84	\$ 108,913.29	\$ 108,913.29	



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

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

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

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	OM&A Expenses	Amortization / Depreciation Expense	Closing Balance (Principal)	(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -	-	-	-	0.00%	-	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	-	-	-	-	0.00%	-	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	-	-	-	-	0.00%	-	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	-	-	-	-	4.14%	-	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	-	-	-	-	4.14%	-	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-	-	-	-	4.14%	-	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-	-	-	-	4.59%	-	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-	-	-	-	4.59%	-	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-	-	-	-	4.59%	-	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-	-	-	-	4.59%	-	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-	-	-	-	4.59%	-	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-	-	-	-	4.59%	-	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-	-	-	-	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-	-	-	-	4.59%	-	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-	-	-	-	4.59%	-	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-	-	-	-	4.59%	-	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-	-	-	-	4.59%	-	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-	-	-	-	4.59%	-	-
2010 Q3	0.89%	4.01%	Jul-07	2007	Q3	-	-	-	-	4.59%	-	-
2010 Q4	1.20%	4.29%	Aug-07	2007	Q3	-	-	-	-	4.59%	-	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-	-	-	-	4.59%	-	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-	-	-	-	5.14%	-	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-	-	-	-	5.14%	-	-
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	-	-	-	-	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	-	-	-	-	5.14%	-	-
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	-	-	-	-	5.14%	-	-
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	-	-	-	-	5.14%	-	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	-	-	-	-	4.08%	-	-
			May-08	2008	Q2	-	-	-	-	4.08%	-	-
			Jun-08	2008	Q2	-	-	-	-	4.08%	-	-
			Jul-08	2008	Q3	-	-	-	-	3.35%	-	-
			Aug-08	2008	Q3	-	-	-	-	3.35%	-	-
			Sep-08	2008	Q3	-	-	-	-	3.35%	-	-
			Oct-08	2008	Q4	-	-	-	-	3.35%	-	-
			Nov-08	2008	Q4	-	-	-	-	3.35%	-	-
			Dec-08	2008	Q4	-	-	-	-	3.35%	-	-
			Jan-09	2009	Q1	-	-	-	-	2.45%	-	-
			Feb-09	2009	Q1	-	-	-	-	2.45%	-	-
			Mar-09	2009	Q1	-	-	-	-	2.45%	-	-
			Apr-09	2009	Q2	-	-	-	-	1.00%	-	-
			May-09	2009	Q2	-	-	-	-	1.00%	-	-
			Jun-09	2009	Q2	-	-	-	-	1.00%	-	-
			Jul-09	2009	Q3	-	-	-	-	0.55%	-	-
			Aug-09	2009	Q3	-	-	-	-	0.55%	-	-
			Sep-09	2009	Q3	-	-	-	-	0.55%	-	-
			Oct-09	2009	Q4	-	-	-	-	0.55%	-	-
			Nov-09	2009	Q4	-	-	-	-	0.55%	-	-
			Dec-09	2009	Q4	-	-	-	-	0.55%	-	-
			Jan-10	2010	Q1	-	-	\$ 1,034.16	1,034.16	0.55%	-	-
			Feb-10	2010	Q1	1,034.16	-	\$ 1,034.16	2,068.32	0.55%	0.47	0.47
			Mar-10	2010	Q1	2,068.32	\$ 89.64	\$ 1,034.16	3,192.12	0.55%	0.95	1.42
			Apr-10	2010	Q2	3,192.12	\$ 13.03	\$ 1,034.16	4,213.25	0.55%	1.46	2.89
			May-10	2010	Q2	4,213.25	\$ 371.28	\$ 1,034.16	5,618.69	0.55%	1.93	4.82
			Jun-10	2010	Q2	5,618.69	\$ 282.99	\$ 1,034.16	6,935.84	0.89%	2.58	7.39
			Jul-10	2010	Q3	6,935.84	\$ 265.21	\$ 1,034.16	8,235.21	0.89%	5.14	12.54
			Aug-10	2010	Q3	8,235.21	\$ 280.45	\$ 1,034.16	9,545.49	0.89%	6.11	18.64
			Sep-10	2010	Q3	9,545.49	\$ 515.92	\$ 1,034.16	10,860.10	0.89%	7.08	25.72
			Oct-10	2010	Q4	10,860.10	\$ 371.76	\$ 1,034.16	12,410.18	1.20%	10.86	36.58
			Nov-10	2010	Q4	12,410.18	\$ 9,305.37	\$ 1,034.16	13,816.10	1.20%	12.41	48.99
			Dec-10	2010	Q4	13,816.10	\$ 573.74	\$ 5,818.92	24,155.63	1.20%	13.82	62.81
			Jan-11	2011	Q1	24,155.63	\$ 1,067.76	\$ 5,818.92	29,400.81	1.47%	29.59	92.40
			Feb-11	2011	Q1	29,400.81	\$ 2,724.70	\$ 5,818.92	36,287.49	1.47%	36.02	128.42
			Mar-11	2011	Q1	36,287.49	\$ 80.31	\$ 5,818.92	44,831.11	1.47%	44.45	172.87
			Apr-11	2011	Q2	44,831.11	\$ 26.95	\$ 5,818.92	50,569.73	1.47%	54.92	227.79
			May-11	2011	Q2	50,569.73	\$ 46.58	\$ 5,818.92	56,415.59	1.47%	61.95	289.73
			Jun-11	2011	Q2	56,415.59	\$ 1,094.00	\$ 5,818.92	62,281.09	1.47%	69.11	358.84
			Jul-11	2011	Q3	62,281.09	\$ 3,568.05	\$ 5,818.92	69,194.01	1.47%	76.29	435.14
			Aug-11	2011	Q3	69,194.01	\$ 1,831.41	\$ 5,818.92	78,580.99	1.47%	84.76	519.90
			Sep-11	2011	Q3	78,580.99	\$ 1,883.26	\$ 5,818.92	86,231.32	1.47%	96.26	616.16
			Oct-11	2011	Q4	86,231.32	\$ 596.11	\$ 5,818.92	93,933.49	1.47%	105.63	721.80
			Nov-11	2011	Q4	93,933.49	\$ 7,036.63	\$ 5,818.92	100,348.52	1.47%	115.07	836.86
			Dec-11	2011	Q4	100,348.52	\$ 1,027.27	\$ 6,059.50	113,204.07	1.47%	122.93	959.79
			Jan-12	2012	Q1	113,204.07	\$ 2,078.75	\$ 6,059.50	120,290.84	1.47%	138.67	1,098.47
			Feb-12	2012	Q1	120,290.84	\$ 955.67	\$ 6,059.50	128,429.09	1.47%	147.36	1,245.82
			Mar-12	2012	Q1	128,429.09	\$ 2,313.89	\$ 6,059.50	135,444.26	1.47%	157.33	1,403.15
			Apr-12	2012	Q2	135,444.26	\$ 2,093.03	\$ 6,059.50	143,817.64	1.47%	165.92	1,569.07
			May-12	2012	Q2	143,817.64	\$ 3,269.41	\$ 6,059.50	151,970.17	1.47%	176.18	1,745.24
			Jun-12	2012	Q2	151,970.17	\$ 2,123.54	\$ 6,059.50	161,299.09	1.47%	186.16	1,931.41
			Jul-12	2012	Q3	161,299.09	\$ 2,123.54	\$ 6,059.50	169,482.13	1.47%	197.59	2,129.00
			Aug-12	2012	Q3	169,482.13	\$ 2,123.54	\$ 6,059.50	177,665.17	1.47%	207.62	2,336.61
			Sep-12	2012	Q3	177,665.17	\$ 2,123.54	\$ 6,059.50	185,848.21	1.47%	217.64	2,554.25
			Oct-12	2012	Q4	185,848.21	\$ 2,123.54	\$ 6,059.50	194,031.25	1.47%	227.66	2,781.92

	Nov-12	2012	Q4	194,031.25	\$ 2,123.54	\$ 6,059.50	202,214.29	0.00%	-	2,781.92
	Dec-12	2012	Q4	202,214.29	\$ 2,123.54	\$ 6,059.50	210,397.34	0.00%	-	2,781.92
					\$ 55,446.38	\$ 154,950.96	\$ 210,397.34			



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

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

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -
2007	\$ -	\$ -	\$ -	\$ -	4.73%	\$ -
2008	\$ -	\$ -	\$ -	\$ -	3.98%	\$ -
2009	\$ -	\$ 25.58	\$ 25.58	\$ 12.79	1.14%	\$ 0.15
2010	\$ 11,756.36	\$ 22,913.14	\$ 34,695.08	\$ 17,360.33	0.80%	\$ 138.45
2011	\$ 19,224.73	\$ 48,711.15	\$ 102,630.96	\$ 68,663.02	1.47%	\$ 1,009.35
2012	\$ 24,465.19	\$ 51,725.05	\$ 178,821.20	\$ 140,726.08	1.47%	\$ 2,068.67
Cumulative Interest to 2011						\$ 1,147.94
Cumulative Interest to 2012						\$ 3,216.61



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

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)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

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

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)	\$ -	\$ -	\$ -	\$ 38.87	\$ 42,882.15	\$ 92,058.62	\$ 112,452.25	\$ 247,431.89
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below)	\$ -	\$ -	\$ -	\$ -	\$ 62.81	\$ 896.98	\$ 1,822.13	\$ 2,781.92
<input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances)	\$ -	\$ -	\$ -	\$ -	\$ 62.81	\$ 896.98	\$ 1,822.13	\$ 2,781.92
<input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances)								\$ -
SMFA Revenues (from Sheet 8)	\$ 4,658.15	\$ 6,666.39	\$ 6,226.03	\$ 18,111.23	\$ 23,882.65	\$ 31,211.92	\$ 14,202.08	\$ 104,958.45
SMFA Interest (from Sheet 8)	\$ 62.14	\$ 368.11	\$ 552.42	\$ 259.25	\$ 388.78	\$ 1,085.59	\$ 1,238.55	\$ 3,954.84
Net Deferred Revenue Requirement	-\$ 4,720.29	-\$ 7,034.50	-\$ 6,778.45	-\$ 18,331.61	\$ 18,673.53	\$ 60,658.09	\$ 98,833.74	\$ 141,300.52
Number of Metered Customers (average for 2012 test year)							1986	

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

Years for collection or refunding	1.5	
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 137,761.56	
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 108,913.29	
Net Deferred Revenue Requirement	\$ 28,848.27	
SMDR May 1, 2012 to April 30, 2014	\$ 0.81	Match
Check: Forecasted SMDR Revenues	\$ 28,955.88	

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

Incremental Revenue Requirement for 2012	\$ 112,452.25	
SMIRR	\$ 4.72	Match
Check: Forecasted SMIRR Revenues	\$ 112,487.04	

SMDR Revision

To Include Lost Revenue Requirement from May 1 2012 - October 31, 2012

SMIRR per model	\$ 4.72	Sheet 9, cell G74
Customers per model	1,986	Sheet 9, S46
SMIRR total per month	\$ 9,373.92	
Months lost revenue requirement	6.0	
Total lost revenue requirement	\$ 56,243.52	
Deferred Revenue Requirement to 2011	\$ 134,979.65	Sheet 9, M30 to Q30
Interest on OM&A and depreciation expense	\$ 2,781.92	Sheet 9, U32
SMFA Revenues to April 30, 2012	\$ 104,958.45	Sheet 9, U40
Interest on SMFA revenues	\$ 3,954.84	Sheet 9, U42
Net deferred revenue requirement to be recovered	\$ 85,091.79	
Period to be recovered over (years - November 1, 2012 - May 1, 2014)	1.5	
Number of customers	1,986	Sheet 9, S46
Revised SMDR	\$ 2.38	