

September 24, 2012

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

Dear Ms. Walli:

**RE: Orillia Power Distribution Corporation – Board File No. EB-2012-0261  
Smart Meter Decision and Order**

Orillia Power Distribution Corporation ("Orillia") has reviewed the Ontario Energy Board ("the Board's") Decision and Order ("the Order") dated September 20, 2012 and is compelled to bring the following points to the Board's attention:

1. On page 6, paragraph 1:

"The Board notes that while Orillia's costs are higher than the top of the provincial range (excluding Hydro One), the Board accepts Orillia's argument that their service territory is not contiguous and that would add costs. Further the Board notes that Orillia's costs are not significantly above the sector average."

The statement that Orillia's costs are higher than the top of the provincial range is not correct nor did Orillia argue that its service territory is not contiguous. Orillia calculated its total capital cost per smart meter excluding costs beyond minimum functionality as \$181.53 and on a total cost basis (capital and OM&A) as \$209.44. In the Board Staff Submission on August 1, 2012, Board staff observed that Orillia's costs are towards the higher end of average cost per meter<sup>1</sup>. In VECC's Submission on August 3, 2012, VECC observed that Orillia's average smart meter costs are less than the recent sector averages and VECC takes no issue with the quantum or nature of Orillia's average smart meter costs<sup>2</sup>.

2. On page 8 - Table 2, the description in the last column is:

"Revised in Reply Submission SMDR including foregone SMIRR revenues for May 1 to October 31, 2012"

<sup>1</sup> Board Staff Submission, page 6

<sup>2</sup> VECC Final Submission, page 5

This is inconsistent with the preceding language of the Order; the period stated should be "from May 1 to September 30, 2012".

3. On pages 10 and 11, the wording in the Board Order 1 and 3 is not consistent:

"The BOARD ORDERS THAT:

1. Orillia's new distribution rates shall be effective November 1, 2012.
3. If the Board does not receive any submissions...this Decision and Order will become final effective October 1, 2012".

In its Decision, the Board states that Orillia is seeking approval for changes to rates to be effective October 1, 2012. The draft Tariff of Rates and Charges correctly includes an effective and implementation date October 1, 2012. Orillia asks that the Board amend its Order to reflect an effective date of October 1, 2012.

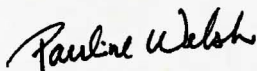
In response to the Board Order, Orillia has reviewed the draft Tariff of Rates and Charges set out in Appendix A of the Order and finds it to be complete and accurate. However, Orillia has found a minor issue with the addition of a footnote on each page of the Tariff:

"Updated September 20, 2012 for Smart Meter Decision EB-2012-0261"

The addition of the footnote at the bottom of each page of the draft Tariff of Rates and Charges has caused a single line on page 9 to spillover onto a separate page. Orillia asks that the Board adjust the margins used in the draft Tariff of Rates and Charges to correct this issue if possible.

An electronic copy of this letter has been filed using the Board's e-filing services. Two hard copies will follow by courier.

Respectfully submitted,



Pauline Welsh  
Regulatory Officer  
Orillia Power Distribution Corporation

cc Pat Hurley, Treasurer  
Keith McAllister, President & CEO