



Hydro Hawkesbury Inc.
850 Tupper Street
Hawkesbury, ON
K6A 3S7

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

Re: Smart Meter Prudence Review EB-2012-0198

Dear Ms. Walli:

Please find attached Hydro Hawkesbury Inc. reply to Board staff's submission.

If there are any questions please do not hesitate to contact the undersigned at 613-632-6689.

Michel Poulin
Manager

Reply to Board Staff Submission

Hydro Hawkesbury Inc. ("HHI") is a licensed electricity distributor serving approximately 5,500 customers in the town of Hawkesbury. HHI filed a stand-alone application (the "Application") with the Board on July 16, 2012, seeking Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder ("SMFA") revenues collected from May 1, 2006 to April 30, 2012. HHI requested approval of proposed Smart Meter Disposition Riders ("SMDRs") and Smart Meter Incremental Revenue Requirement Rate Riders ("SMIRRs") effective September 1, 2012. The Application is based on the Board's policy and practice with respect to recovery of smart meter costs.

On September 28, 2012 Board staff submitted a submission which reflects observations and concerns which arose from Board staff's review of the record of the proceeding, including the original Application and updates as provided in response to interrogatories.

HHI concurs with and accepts Board staff submission with the following comments.

Board staff addressed HHI's omission of OM&A costs to December 31, 2012 with concern of under recovery. HHI thanks Board staff for their concern and kind invitation to file additional evidence but wish to have the application remain as filed. HHI is of the opinion that the difference in costs not recovered between May1, 2012 and December 31, 2012 with persistence in 2013 and beyond is not material for HHI.

Board staff identified HHI's request to recover capital costs in the amount of \$6,043. Board staff submits that the Board consider the option of disallowing the \$6,043 because these costs are not for smart meter deployment to Residential and GS < 50 kW customers, and hence should not be borne by them under the principle of cost causality. HHI confirms that these costs were related to miscellaneous capital cost of deployment of smart meters to Residential and GS < 50



1 kW customers only. HHI confirms that it has not included any claim for costs related to its GS >
2 50 kW customers in this application. HHI submits that these costs were miscellaneous
3 implementation costs including staff training etc. incurred that HHI have determined as capital in
4 nature. In HHI's opinion these costs should be recoverable as filed.

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6 HHI submits that this Application is in accordance with Guideline G-2011-0001, reflects
7 prudently incurred costs and is consistent with Board policy and practice with respect to the
8 disposition and recovery of costs related to smart meter recovery. HHI wish to have the
9 application remain as filed.

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11 - All of which is respectfully submitted -