



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

October 10, 2012

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 VECC's submission.

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

Michel Poulin
Manager

Reply to VECC 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 October 5, 2012 VECC submitted a submission which reflects observations and concerns which arose from VECC'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 most of VECC's submission with the following exception.

VECC stated that it was unclear from HHI's responses if HHI has the data to complete the smart meter recovery model by rate class to calculate revenue requirements and rate riders by customer class based on full cost causality. VECC submitted that HHI should clarify whether or not the data is available in its reply submissions. VECC stated that if the data is available, VECC submits that HHI should recalculate the rate riders on the basis of full cost causality.

HHI submits that it believes the data to complete smart meter recovery by rate class in the manner which VECC proposes in its submission would not be materially dissimilar to the proposed results obtained with the models already submitted.



1 HHI maintains that the calculated rate riders have been appropriately calculated using Board
2 approved methodology and HHI believes that the proposed results are fair and reasonable or all
3 affected customer classes.

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5 - All of which is respectfully submitted -