

November 23, 2012

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario, M4P 1E4

ATT: Kirsten Walli
Board Secretary

Dear Ms. Walli

**Woodstock Hydro Services Inc. License # ED-2003-0011
2013 Incentive Rate Mechanism Rate Application - OEB File # EB-2012-0178
Response to VECC and OEB Staff Submissions**

The Notice of Application and Written Hearing for the above proceeding states that written submissions by an Intervenor or Board staff must be filed with the Board and copied to all other parties by November 21, 2012. Woodstock Hydro received VECC's submission on November 23, 2012, however we will accept and respond to their submission. The Board Staff submission was received on November 21, 2012.

Woodstock Hydro agrees with the submission of VECC with the exception that:

"VECC submits that the allocation of shared capital costs between customer classes should be on the basis of meter cost by customer class rather than number of meters per customer class."

In the same manner that shared OM&A costs are not specific to any particular rate class or meter type, shared capital costs are also not specific to any particular rate class or meter type. On this basis, Woodstock Hydro believes that all shared costs, whether capital or OM&A, should be allocated based on the total number of meters in each rate class.

More specifically, these shared capital costs are for repeaters, computer hardware, computer software, and professional fees, and are not affected by, or determined on the basis of the cost and type of each meter installed. Rather, these shared capital costs are components of Woodstock Hydro's smart meter network which equally services all smart meters regardless of the meter cost.

Further, the Board Staff submission states:

“Board staff submits that Woodstock Hydro’s Application is in accordance with Guideline G-2011-0001, reflects prudently incurred costs and is consistent with Board policy and practice with respect to the disposition and recovery of cost related to smart meter recovery.”

Woodstock Hydro acknowledges and agrees with the OEB Staff amendment to the Smart Meter Rate Model to change the 2010 ROE from 9.85% to 9.00%.

Woodstock Hydro agrees with the submissions of Board staff in the above noted proceeding and has no further submissions at this time.

Should you require further information or clarification please contact me at 519-537-7172 ext 240 or peitel@woodstockhydro.com.

Respectfully submitted,



Patricia Eitel CGA, P.Mgr
Manager of Accounting and Regulatory Affairs
Woodstock Hydro Services Inc.

cc: Mr. Michael Janigan, VECC
Ms. Shelley Grice, VECC