

SMART METERING ENTITY

RESPONSES TO TECHNICAL CONFERENCE UNDERTAKINGS

UNDERTAKING NO. JTC1.3:

To update the evidence to reflect the impact on the SMC of: (i) amendment of the date to start collection of the SMC (which was identified as July 1, 2012 in the application) and any changes in the collection period; (ii) the issuance of the 2011 Distributors Yearbook by the OEB; and (iii) the treatment of customers that are exempt from having smart meters. Also clarify the collection year for the SMC and provide a threshold for disposition of the SMC variance account.

RESPONSE:

The attached tables show a recalculated SMC of \$0.797 between May 1, 2013 and October 31, 2018. The SMC has been recalculated as follows:

- (i) The start of collection of the SMC has been moved from July 1, 2012 to May 1, 2013. The SME did not ask for an interim rate and will not seek to collect the SMC retroactive to July 1, 2012. The SME is proposing that the collection year run from May 1 to April 30, which will correspond to the typical collection year used by the province's distributors. This collection year was selected in consultation with the EDA. The SME is proposing that the collection period proposed in the application (66 months) remain constant and that the cost recovery period be extended to October 31, 2018.
- (ii) The SMC has been re-calculated using the 2011 Distributors Yearbook. The SMC has declined slightly due an increase in the number of Residential and General Service <50 kW customers between the 2010 and 2011 Distributors Yearbooks. The SME proposes that the SMC be recalculated each year to reflect the latest Distributors Yearbook published by the Board. The SME will file an update with the Board identifying the revised rate by February 1 of each year, with the revised rate taking effect on May 1 to coincide with the collection year. This can be achieved by including an automatic adjustment mechanism in the Board's final rate order in this proceeding.
- (iii) The SME has been advised by the EDA that there are a number of distributors without smart meters that are not listed in the Distributors Yearbook (Cornwall, Hydro One Remotes, Kashechewan Power, Fort Albany Power, Attawapiskat Power, and certain remote First Nation communities not served by Hydro One Remotes); accordingly, no adjustment has been made for these customers. Where the OEB grants a Time of Use rate exemption to a distributor for customers that are unable to connect to the distributor's smart meter telecommunications infrastructure (such as the one sought by HONI in EB-2012-0384), the SME will remove the affected customers from the calculation of the SMC. For illustrative purposes, the SME has removed the approximately 150,000 HONI customers that are the subject of the current exemption application from the calculation of the SMC.

The SME is not proposing a threshold for clearing the SMC variance account. The SME will seek to clear the account when it applies for an SMC post-November 1, 2018.

Revenue Requirement 2006 to 2017 SMC Application March 23, 2012	Reference
\$ 251,520,340	R

OEB Year Book	Residential Customers	General Service < 50kW Customers	Total Customers	Reference
2010	4,314,896	415,994	4,730,890	C10
2011	4,354,381	427,414	4,781,795	C11

Smart Metering Charge (SMC) Calculation per SMC Application March 23, 2012			
Cost Recovery Period	No. of Months	SMC per Customer per Month	Calculation
July 1, 2012 to Dec. 31, 2017	66	\$ 0.806	R / C10 / 66

Updated Smart Metering Charge (SMC) Calculation			
Cost Recovery Period	No. of Months	SMC per Customer per Month	Calculation
May 1, 2013 to Oct. 31, 2018	66	\$ 0.797	R / C11 / 66

Updated SMC Calculation assuming OEB approves Hydro One's request to exempt 150,000 Customers from TOU rates			
Cost Recovery Period	No. of Months	SMC per Customer per Month	Calculation
May 1, 2013 to Oct. 31, 2018	66	\$ 0.823	R / (C11-150,000) / 66