



May 1, 2013

BY EMAIL/COURIER/RESS

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

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation
Application for 2013 Smart Meter Recovery
Board File Number EB- 2012-0479
Draft Tariff of Rates and Charges**

Whitby Hydro Electric Corporation ("Whitby Hydro") provides this submission regarding the Ontario Energy Board's (the "Board") Decision and Order on April 25, 2013. Upon review of the Board's draft Tariff of Rates and Charges, Whitby Hydro has noted the following:

On the Residential and GS<50kW Tariff Sheet, the Rate Rider for Disposition of Residual Historical Smart Meter Costs should have a sunset date which is effective until April 30, 2014 as per Whitby Hydro's application (not December 31, 2014)

In reviewing the Board's Decision, the following two items were also identified as being inconsistent with Whitby Hydro's application:

1. Stranded Meter Costs (Decision and Order - page 8)

Whitby Hydro advises the Board that the following section from the last paragraph relating to Stranded Meter Costs should be corrected:

In its Reply Submission, WHEC stated that its estimate of the NBV of stranded meters as of December 31, 2014 is \$.1 million

The amount noted should be \$1.1 million as per Whitby Hydro's Reply Submission dated Mar 27, 2013

2. Accounting Matters (Decision and Order - page 9)

Whitby Hydro advises the Board that the following paragraph related to Accounting Matters should be corrected:

Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556, beyond the costs for the 380 replaced smart meters as discussed elsewhere in this Decision. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs. The costs for the 380 replaced smart meters shall continue to be accounted for in the sub-account for Smart Meter Capital costs in Account 1555, and WHEC is expected to apply for review and disposition of these costs in WHEC's next cost of service application, currently scheduled for rates effective January 1, 2015.

Whitby Hydro is unaware of previous discussions regarding the quantity of 380 replaced smart meters and believes some of the references in this paragraph require revisions to reflect Whitby Hydro's circumstances and the applicable direction by the Board on related accounting matters.

Whitby Hydro advises the Board that in its Reply Submission, there was agreement with Board staff's position that no future smart meter costs (2013 and forward), should be recorded in Account 1555 or 1556 with the exception of those entries related to the 1555 sub-account for stranded meters and related depreciation until the next time Whitby Hydro re-bases.

Please be advised that two paper copies of this letter will follow via courier. A copy has also been filed electronically through the Board's RESS system.

If there is any further information required by the Board regarding this submission, please feel free to contact me directly.

Respectfully submitted,

Original signed by

Susan Reffle
Vice-President

cc: Mr. Keith Ritchie (email)
Mr. Michael Janigan (email)
Ms. Shelley Grice (email)