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May 24, 2013

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
Atikokan Hydro Inc. EB-2013-0019
Final Submissions of VECC

Please find enclosed the submissions of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Janigan
Counsel for VECC
Encl.

cc: Atikokan Hydro Inc.
Mr. Wilf Thorburn

ONTARIO ENERGY BOARD**IN THE MATTER OF**

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by Atikokan Hydro Inc. (Atikokan) for an order or orders approving or fixing just and reasonable distribution rates to reflect the recovery of costs for deployed smart meters effective July 1, 2013.

Submissions of Vulnerable Energy Consumers Coalition (VECC)

Atikokan filed an application March 8, 2013 for the recovery of costs for deployed smart meters.

As part of the Decision in Atikokan's 2012 Cost of Service application EB-2011-0293, the Board allowed a recovery of 50% of the requested smart meter costs. In EB-2011-0293 Atikokan sought recovery of full deployment of smart meters to all of its residential and GS<50 kW customers, which included \$506,698 in capital costs and \$224,207 in OM&A costs.

In its submissions in EB-2011-0293, Board Staff stated that Atikokan's claimed costs were higher than the Board has seen to date, with the exception of Hydro One Networks Inc. VECC made submissions regarding the high level of Atikokan's capital and operating costs for smart meters. The Board agreed with the concerns raised by Board staff and VECC.

In its Decision, the Board directed the Regulatory Audit and Accounting branch of the Board to conduct an audit of Atikokan's smart meter costs. The Decision indicated the results of the audit would be considered by the Board with respect to the final amounts to be authorized for recovery in a future application to be filed by Atikokan no later than 6 months from the completion of the subject audit. In response to correspondence from Atikokan dated March 15, 2013 requesting that the Audit Report be placed on the record in this proceeding, the February 2013 Report undertaken by The Board's Regulatory Audit & Accounting branch was provided.

The Audit Report results reflect a reduction in Atikokan's smart meter capital & OM&A costs as shown in Table 1 below.¹

Atikokan agreed with all of Regulatory Audit's findings in the Report and made the necessary adjustments to both smart meter capital and OM&A costs.²

¹ VECC IR#2(c)

² Audit Report, Page 1

**Table 1 - Smart Meter Costs before and after Audit
Adjustments on a Total Basis (\$)**

Smart Meter Costs	Before Audit	After Audit	\$ Change	% Change	50% Costs Approved	Incremental Smart Meter Costs to be Approved
	A	B	C = A - B		D = A x 50%	E = B - D
Capital Costs	506,698	442,038	-64,660	-13%	253,349	188,689
OM&A Costs	224,207	173,465	-50,742	-23%	112,104	61,362
Total Costs	730,905	615,503	- 115,402	-16%	365,453	250,051

The Audit Report indicates the Audit was conducted to allow for more detailed information to be provided, to assist in the determination of the prudence of the cost.³

VECC's interrogatories in this application sought further information/clarification of the costs and cost allocation details such as revised average capital installed cost per meter for each customer class, capital and OM&A costs beyond minimum functionality, and confirmation Atikokan does not have the data to track capital and OM&A expenditures separately for each customer class in order to allocate costs between customer classes based on full cost causality.

In its review of the record in EB-2011-0293 and the record in this application, including Board Staff's submission, VECC takes no issue with Atikokan's revised smart meter costs.

VECC supports Board Staff's submission and agrees Atikokan has correctly estimated the SMDRs and SMIRRs in this application. Further, VECC supports the proposed recovery periods of the SMDRs and SMIRRs, as well as Atikokan's proposal to refund the over-collection of the SMFA from customers as an offset to the incremental revenue requirement calculation for the proposed SMDRs.

Recovery of Reasonably Incurred Costs

VECC submits that its participation in this proceeding has been focused and responsible.

Accordingly, VECC requests an order of costs in the amount of 100% of its reasonably-incurred fees and disbursements.

All of which is respectfully submitted this 24th day of May 2013.

³ Audit Report, Page 7