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May 31, 2013

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

Dear Ms. Walli:

Re: Atikokan Hydro Inc.

Board File No. EB-2013-0019 Smart Meter Incremental Rate Application final comments:

Atikokan Hydro Inc. (Atikokan Hydro) is pleased to submit to the Ontario Energy Board (the "Board") some final comments on submissions related to this application.

Atikokan Hydro has also submitted a proposed draft schedule of tariffs and charges for the Board's consideration.

This submission will include one pdf file [Atikokan_Hydro_SM_20130531_final_response.pdf] filed electronically. Paper copies will be provided

We would be pleased to provide any further information or details that you may require relative to this application.

Sincerely,

Well Thorburn

Wilf Thorburn CEO/Secretary/Treasurer Atikokan Hydro Inc.

Atikokan Hydro Inc.

Final Response

2013 ELECTRICITY DISTRIBUTION RATES APPLICATION FOR SMART METER COST RECOVERY Atikokan Hydro Inc. EB-2013-0019

Atikokan Hydro would like to take this opportunity to comment on the final comments from both Board Staff and VECC as they relate to Atikokan Hydro's smart meter application EB-2013-0019. As a result of Atikokan Hydro's cost of service application EB-2011-0293, Atikokan Hydro was instructed to file a future application

• The Board will accept VECC's proposal and allow for recovery of 50% of the requested smart meter costs at this time. The Board will direct the Regulatory Accounting and Audit branch of the Board to conduct an audit of Atikokan's smart meter costs. The results of the audit will 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 audit¹.

Regulatory Audit proceeded with a very thorough audit of all costs and expenses presented in the smart meter application in EB-2011-0293. The results of the Audit are depicted in the table below [Table 1]. Atikokan Hydro agreed with these results, and subsequently filed EB-2013-0019 as a smart meter application to recover the incremental costs supported by the Regulatory Affairs Audit.

Table	1
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Smart Meter Costs Before and After Audit Adjustments and Incremental Costs on a Total Cost Basis						
Smart Meter Costs on a Total Basis	Before Audit (Original Request in EB-2011- 0293) A	Audit Adjustments B	After Audit Costs C= A+B	Approved Costs in EB- 2011-0293 D = A x 50%	Incremental Smart Meter Costs E = C-D	
Capital Costs	506,698	-64,660	442,038	253,349	188,689	
OM&A Costs	224,207	-50,742	173,465	112,104	61,362	
Total Costs ²	730,905	-115,402	615,503	365,453	250,051	

Atikokan Hydro has used the Board provided Smart Meter model and the costs in the filed smart meter model [in EB-2013-0019]conform to the difference between the final smart meter costs per the audit report and the 50% approved for recovery in Decision and Order EB-2011-0293.

Board staff has reviewed the costs for which recovery is being sought in this Application, and confirms that the costs in the filed smart meter model conform to the difference between the final smart meter costs per the audit report and the 50% approved for recovery in Decision and Order EB-2011-0293. This applies for all costs detailed down by entry and year on tab 2 of the filed smart meter model.³

As noted in Board Staff comments, Atikokan Hydro will be seeking approval for the recovery of both SMDR and SMIRR class specific costs.

¹ Atikokan_EB_2013_0019_staff_subm_20130521_final page 2

² Atikokan EB 2013 0019 staff subm 20130521 final page 3

³ Atikokan_EB_2013_0019_staff_subm_20130521_final page 5

This Application is not a cost of service application. As a result, Atikokan is seeking both class-specific SMDRs and SMIRRs related to the incremental smart meter costs that are the subject of this Application. This second SMDR is to recover the deferred revenue requirement for the residual amount of the audited smart meter costs for the period leading up to the effective date of the rate order arising from this Application, while the SMIRR will recover the ongoing capital- related and operating costs for these meters until Atikokan next rebases its rates through a cost of service application.⁴

Atikokan Hydro agrees with Board Staff that the allocation of rates by customer class as derived from the Board approved smart meter model comply with Guideline G-2011-0001.

Atikokan's proposal conforms with Board policy and practice, as documented in Guideline G-2011-0001 and with numerous Board decisions approving recovery of smart meter costs.⁵

Table 2

Atikokan's proposed SMDRs and SMIRRs are as follows:

	Smart Meter Disposition	Smart Meter Incremental Revenue
	Rider (SMDR)	Requirement Rate Rider (SMIRR)
Recovery Period	July 1, 2013 to August 31,	July 1, 2013 until the effective date
	2015	of Atikokan's next cost of service-
		based rate order
Residential	\$2.79	\$1.06
GS < 50 kW	\$3.21	\$1.39
GS 50-4999 kW	\$6.12	\$3.71 ⁶

As noted in application EB-2013-0019, Atikokan Hydro had over collected from its customers by continuing its SMFA in error from May 1, 2012 until August 31, 2012. This amount has been considered including carrying charges in the Board approved smart meter model as a credit to Atikokan Hydro's customers. Board Staff have indicated:

Atikokan proposed to refund the over-collection from its metered customers by way of using the over-collected SMFA revenues plus carrying charges as an offset to the incremental revenue requirement being recovered through the new class-specific SMDRs. Notwithstanding the transgression of charging the SMFA past its expiration, Board staff submits that this method of refunding the over collection to Atikokan's ratepayers is reasonable.⁷

VECC have also concurred with both the method of refunding the over charge to customers and the calculations and recovery rate for the SMDR and SMIRR rates.

VECC supports Board Staff's submission and agrees Atikokan has correctly estimated the SMDRs and SMIRRs in this application. Further, VECC supports the

⁴ Atikokan_EB_2013_0019_staff_subm_20130521_final pages 5 and 6

⁵ Atikokan_EB_2013_0019_staff_subm_20130521_final page 6

⁶ Atikokan_EB_2013_0019_staff_subm_20130521_final page 6

⁷ Atikokan_EB_2013_0019_staff_subm_20130521_final page 6

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.⁸

In summary, Atikokan Hydro would like to thank the Board, Board Staff, and VECC for their efforts in processing this application. Atikokan Hydro feels confident that the results of the Regulatory Audit on smart meters has been accurately reflected in this application and when combined with the decision in EB-2011-0293 the full recovery of all smart meter costs and operational issues has been completed.

Further, Atikokan Hydro confirms that the effective start date for the incremental rates will be July 1, 2013 and the completion date for the SMDR will be August 31, 2015 to coincide with the rate riders for the "Disposition of Residual Historical Smart Meter Costs", and the rate riders for the "recovery of stranded meter costs." The SMIRR rates will continue until Atikokan Hydro's next cost of service.

All comments in this summary relate only to items viewed and commented on by Board Staff and VECC. All support items have been referenced to their respective sources from within evidence that is before the Board as provided by both Board Staff and VECC.

Atikokan Hydro has included a proposed "Tariff of Rates and Charges" schedule as "Appendix A" for consideration by the Board.

⁸ VECC_SUB_Atikokan_SM_20130524 page 3

Appendix "A"

Atikokan Hydro Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date July 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RESIDENTIAL SERVICE CLASSIFICATION

EB-2013-0019

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	34.15
Rate Rider for Incremental Revenue Requirement [SMIRR] Smart Meter Costs - effective until next cost of service	\$	1.06
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until August 31, 2015	\$	0.48
Rate Rider for Disposition of Incremental Historical Smart Meter Costs - effective until August 31, 2015	\$	2.79
Rate Rider for Recovery of Stranded Meter Assets - effective until August 31, 2015	\$	0.39
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0135
Rate Rider for Deferral/Variance Account Disposition (2012) - effective until April 30, 2016	\$/kWh	0.0009
Rater Rider for Global Adjustment Sub-Account Disposition (2012) - effective until April 30, 2016.		
Applicable only for Non-RPP Customers	\$/kWh	0.0004
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0037
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0044
Bural Data Distantian Charge	¢/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1	0.0012

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2013-0019

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	74.43
Rate Rider for Incremental Revenue Requirement [SMIRR] Smart Meter Costs - effective until next cost of service	\$	1.39
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until August 31, 2015	\$	0.78
Rate Rider for Disposition of Incremental Historical Smart Meter Costs - effective until August 31, 2015	\$	3.21
Rate Rider for Recovery of Stranded Meter Assets - effective until August 31, 2015	\$	0.39
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0094
Rate Rider for Disposition of Deferral/Variance Account (2012) - effective until April 30, 2016	\$/kWh	0.0007
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0004
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate - Transformation Connection Service Rate	\$/kWh	0.0032

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

This schedule supersedes and replaces all previously

approved schedules of Rates, Charges and Loss Factors

EB-2013-0019

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	550.40
Rate Rider for Incremental Revenue Requirement [SMIRR] Smart Meter Costs - effective until next cost of service	\$	3.71
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until August 31, 2015	\$	3.80
Rate Rider for Disposition of Incremental Historical Smart Meter Costs - effective until August 31, 2015	\$	6.12
Rate Rider for Recovery of Stranded Meter Assets - effective until August 31, 2015	\$	0.39
Distribution Volumetric Rate	\$/kW	2.1802
Rate Rider for Disposition of Deferral/Variance Account (2012) - effective until April 30, 2016	\$/kW	0.1984
Rider for Global Adjustment Sub-Account Disposition (2012) - effective until April 30, 2016		
Applicable only for Non-RPP Customers	\$/kW	0.1410
Retail Transmission Rate - Network Service Rate	\$/kW	2.3530
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	1.2782
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4963
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.4127

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2013-0019

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	11.93
Distribution Volumetric Rate	\$/kW	14.7065
Rate Rider for Disposition of Deferral/Variance Account (2012) - effective until April 30, 2016	\$/kW	1.4517
Rider for Global Adjustment Sub-Account Disposition (2012) - effective until April 30, 2016		
Applicable only for Non-RPP Customers	\$/kW	0.1329
Retail Transmission Rate - Network Service Rate	\$/kW	1.7747
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.9880

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2013-0019

MICROFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or

Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or

furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless

required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge

\$ 5.40

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2013-0019

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.29)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration		
Returned cheque (plus bank charges)	\$	25.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	25.00
Special meter reads	\$	25.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	25.00
Disconnect/Reconnect at meter - during regular hours	\$	28.00
Disconnect/Reconnect at meter - after regular hours	\$	315.00
Disconnect/Reconnect at pole - during regular hours	\$	28.00
Disconnect/Reconnect at pole - after regular hours	\$	315.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2013-0019

RETAIL SERVCE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail		
Settlement Code directly to retailers and customers, if not delivered electronically through the		
Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0778
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0671