



**PUBLIC INTEREST ADVOCACY CENTRE**  
**LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC**

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October 11, 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)**  
**Notice of Intervention EB-2012-0116**  
**Collus PowerStream Corp. (Collus)**

These are VECC's submissions in respect to the Draft Rate Order (DRO) and Procedural Order No. 3 in the above noted proceeding.

In the DRO Collus makes the following proposal for the account which will book the costs of the redundant Sensus iCon F and iCon G model smart meters (FG Meters):

*Carrying charges will be recorded monthly on the opening principal balance in this account at the Board's prescribed rates. (Collus DRO page 2)*

In their submissions of October 11, 2013 Board Staff argue that the deferral account should not attract interest.

The matter of interest to the account was not, to VECC's recollection, subject to negotiation at the Settlement Conference. Therefore we believe it to be an issue which parties may appropriately make submissions.

Board Staff correctly notes Collus' evidence that the meter substitution program has no material effect on rate base going forward.

*From a rates perspective, replacement of the FG Meters in 2014 onwards, results in taking out the cost of the FG Meters at their NBV and recording it in Account 1508, Other*

*Regulatory Assets, Sub-account Stranded Assets Net Book Value. At the same time a similar cost for the new meters is being added in service. The values of the replaced meters and new meter additions will result in a net effect that will be very slight. As such, for 2014 onwards, there will be no material differences between the meters that will be removed from service but remaining in rate base and the new meter additions in service. Accordingly, the amount in rates for the removed meters is appropriate for the recovery of the cost of the new meters in service but not yet included in rate base. In the next cost of service application adjustments will be made to the rate base for the exclusion of the removed meters (which are recorded in Account 1508, Other Regulatory Assets, sub-account Stranded Assets Net Book Value) and inclusion of the new in-service meter additions at their net book value. (Collus Draft DRO pages 1 and 2).*

VECC also agrees with Staff that this implies an accounting treatment equivalency as between FG redundant smart meters and the prior generation of stranded meters. The result is that the account should not attract interest.

In VECC's submission the deferral account should only record the Net Book Value of these meters. Collus should also record any disposal or mitigation revenues (for example insurance or manufacture rebate) associated with the FG meters.

Yours truly,

Michael Janigan  
Counsel for VECC

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