

UNDERTAKING**Undertaking**

PROVIDE DESCRIPTION OF ALL SMART METER SPENDING, BOTH CAPITAL AND OPERATING, FOR 2006 TO 2008, AND INCLUDE OM&A AND CAPITAL OVER THE SAME PERIOD WITHOUT THE SMART METERS SPENDING, AND FORECAST FOR 2008, 2009 AND 2010.

Response

Some spending on smart meters was initiated in 2005 in accordance with the Board decision in RP-2004-0203/ EB-2005-0198 that approved funds to address initial smart meter start-up costs and deployment. Subsequent approvals and proceedings with respect to the Smart Meter program are detailed on page 25 of Exhibit D1, Tab 3, Schedule 2.

The 2005 to 2007 actual spending and 2008 to 2010 forecast spending on the Smart Meter program is summarized below

Smart Meter Spending (\$Million)

	2005 (Actual)	2006 (Actual)	2007 (Actual)	2008 (Forecast)	2009 (Forecast)	2010 (Forecast)
OM&A	2.4	4.9	6.2	9.7	14	17
Capital	0	14.1	76.7	164.8	159	150

Table 1, Summary of Distribution OM&A Budget, provided in Exhibit C1, Tab 2, Schedule 1 has been updated below to reflect the separation of Smart Meter costs.

**Table 1 (per Exhibit C1, Tab 2, Schedule 1)
Summary of Distribution OM&A Budget (\$ Million)**

Description	Historic			Bridge	Test
	2004	2005	2006	2007	2008
Sustaining Excluding Smart Meter Program	207.9 207.9	222.0 219.6	255.6 250.7	278.8 272.6	280.0 270.3
Development	5.5	4.8	4.2	8.0	9.1
Operations	16.3	11.2	14.9	12.6	13.4
Customer Care	103.0	96.3	103.7	97.1	103.8
Shared Services and Other OM&A	9.3	23.3	21.2	91.9	66.9
Taxes Other Than Income Tax	4.0	4.6	4.5	4.2	4.5
TOTAL	346.0	362.1	404.1	492.6	477.7
TOTAL Excluding Smart Meter Program	346.0	359.7	399.2	486.4	468.0

Table 1, Summary of Distribution Capital Expenditures, provided in has been updated below to reflect the separation of Smart Meter costs.

Table 1 (per Exhibit D1, Tab 3, Schedule 1)
Summary of Distribution Capital Expenditures (\$ Million)
Including Capitalized Overheads and AFUDC

<i>Description</i>	Historic			Bridge	Test
	2004	2005	2006	2007	2008
Sustaining Excluding Smart Meter Program	104.9 104.9	117.3 117.3	186.3 172.2	223.6 146.9	317.1 152.3
Development	138.6	141.7	146.8	154.2	167.7
Operations	6.3	4.7	2.1	2.0	3.6
Shared Services & Other Capital	22.2	53.4	57.4	96.7	77.8
TOTAL	272.0	317.2	392.6	476.6	566.2
TOTAL Excluding Smart Meter Program	272.0	317.2	378.5	399.9	401.4