

EVIDENCE IN SUPPORT OF CHANGE TO SMART METER RATE ADDER

On October 22, 2008, the Board issued G-2008-0002, a guideline in respect of Smart Meter Funding and Cost Recovery. At section 1.4, that guideline proposes that distributors requesting the standard \$1.00 Smart Meter funding adder file:

- “the estimated number of meters to be installed in the rate test year
- the actual or estimated costs per installed meter and in total
- a statement as to whether the distributor has purchased, or expects to purchase, smart meters or advanced metering infrastructure (“AMI”) whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, and an estimate of those costs
- a statement as to whether the distributor has incurred, or expects to incur, costs associated with functions for which the SME has the exclusive authority to carry out pursuant to O. Reg. 393/07, and an estimate of those costs”

EWU estimates installing approximately 40,000 Smart Meters in the rate test year.

EWU estimates that the per-meter cost of each Smart Meter and its installation will be approximately \$169.12. EWU estimates an additional per-meter cost of approximately \$17.96 for computer hardware and incremental O&M expenses. EWU estimates the total incremental expenditure for Smart Metering in the test year will be approximately \$7,336,100 and the net present value of the deployment and operation of the Smart Metering system over 15 years will be \$16,231,216.

To date, EWU has not purchased any of its Smart Meter system. EWU’s Smart Meter system will not exceed minimum functionality, subject to certain features that may come bundled with a Smart Meter system but do not impact price.

- 1 EWU has not incurred and does not anticipate incurring any costs associated with functions for
- 2 which the SME has exclusive authority.