



**EB-2008-0265**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Enersource  
Hydro Mississauga Inc. for an order approving the recovery  
of smart meter costs.

**BEFORE:** Paul Vlahos  
Presiding Member

Paul Sommerville  
Member

**DECISION AND ORDER**

**BACKGROUND**

The Ontario Energy Board received an application (the “Application”) under section 78 of the *Ontario Energy Board Act, 1998* relating to the recovery of smart meter costs incurred by Enersource Hydro Mississauga Inc. (“Enersource”). The confidential version of the Application dated July 16, 2008 was received on July 18, 2008, and a redacted, non-confidential version dated July 23, 2008 was received on July 24, 2008. The Board has assigned the Application file number EB-2008-0265.

Enersource is authorized by regulation to undertake smart meter activities. Enersource incurred costs for smart meter activities from January 1, 2006 to April 30, 2007 that were reviewed and approved in a combined hearing conducted in 2007 by the Board on August 8, 2007 in proceeding EB-2007-0063 (the “Combined Smart Meter Proceeding”).

Enersource has now applied for approval of the smart meter costs that it has incurred from May 1, 2007 to December 31, 2007 and for an accounting order authorizing it to dispose of the amounts in its smart meter variance accounts related to those costs and to the costs approved in the Combined Smart Meter Proceeding and include the costs in its rate base. The proposed accounting changes are documented in Schedule 5 of the Application.

The full public record is available at the Board’s offices. The Board has chosen to summarize the record to the extent necessary to provide context for its findings.

**THE PROCEEDING**

The Board issued a Notice of Application and Written Hearing on August 11, 2008. No party intervened in this proceeding, and the Board proceeded by way of a written hearing.

In accordance with the process and timelines set out in the Notice of Application and Written Hearing, interrogatories were filed by Board staff and interrogatory responses were filed by Enersource.

## **1. CONFIDENTIALITY**

Enersource requested that certain portions of the Application be treated in confidence by the Board, and filed a redacted non-confidential version of the Application. The request for confidential treatment covered detailed information pertaining to Enersource's smart meter costs. The redacted non-confidential version of the Application also excised those portions of the cover letter accompanying the Application and of the Application itself that indicate that Enersource is requesting confidential treatment for the smart meter cost information.

Enersource also claimed confidentiality for certain smart meter cost information that was provided in Enersource's response to a Board staff interrogatory, and filed both a confidential and a redacted non-confidential version of its interrogatory responses.

### **Board Findings**

The Board notes that the detailed smart meter cost information for which confidentiality is claimed by Enersource in its Application and in its interrogatory response is similar in nature and detail to that for which the Board accepted claims of confidentiality in the Combined Smart Meter Proceeding and in subsequent applications relating to smart meter cost recovery. As such, the Board accepts the claim for confidentiality in relation to that information. The Board therefore will not require that the detailed smart meter cost information be placed on the public record.

The Board does not believe that confidential treatment is either necessary or appropriate in relation to those portions of the cover letter and the Application that simply identifies that Enersource is requesting that the Board treat certain information contained elsewhere in the Application as confidential. In the circumstances of this case, given that the Board is ruling on the request for confidential treatment as part of its final Decision and Order, the Board will accept the redacted non-confidential version of the Application as filed. The Board expects that Enersource will not, in redacting future applications or interrogatories, treat as confidential its request for confidentiality.

## **2. APPROVAL OF COSTS FOR SMART METERS INSTALLED FROM MAY 1 TO DECEMBER 31, 2007 AND ACCOUNTING ORDER**

Enersource is seeking the approval and recovery of costs incurred in relation to smart meters deployed between May 1, 2007 and December 31, 2007. The costs include capital investments for smart meters installed during that period, and associated operating expenses. Enersource provided the cost information in the same manner as was filed by it and other distributors in the Combined Smart Meter Proceeding. Enersource also provided, in response to interrogatories filed by Board staff, a comparison of the costs for which it was seeking approval against the costs reviewed and approved in that earlier Proceeding.

Board staff questioned, in interrogatories, whether or not the costs that are the subject of the Application relate to functionality that exceeds the minimum functionality adopted in O. Reg. 425/06, *Criteria and Requirements for Meters and Metering Equipment, Systems and Technology*. In its response, Enersource stated that the costs that are the subject of the Application do not relate to functionality that exceeds the minimum functionality adopted in O. Reg. 425/06.

### **Board Findings**

The Board is satisfied that the costs incurred by Enersource between May 1, 2007 and December 31, 2007 do not relate to functionality that exceeds the minimum functionality adopted in O. Reg. 425/06. Insofar as these costs relate to the implementation of a firm and unequivocal policy of the government, the Board also finds that they were prudently incurred.

The Board notes that the meters were procured under the same agreement as was reviewed in the Combined Smart Meter Proceeding. The Board also notes that the costs per installed meter over this period are consistent with the per meter costs previously reviewed and approved by the Board in that Proceeding. The Board therefore approves those costs. The Board also approves the accounting changes as proposed by Enersource in the Application to recognize these approved smart meter costs and those approved in the Combined Smart Meter Proceeding in rate base, and to dispose of the related amounts in the established variance accounts.

The Board notes that Enersource has not applied for any change to its approved distribution rates in relation to the recovery of the smart meter costs that are the subject of the Application, and therefore no change to Enersource's current Tariff of Rates and Charges is required as a result of this Decision and Order.

**THE BOARD THEREFORE ORDERS THAT:**

1. Enersource Hydro Mississauga Inc. shall clear the balances in its smart meter variance accounts to December 31, 2007 by making the accounting entries documented in Schedule 5 of the its application dated July 16, 2008.

**DATED** at Toronto, December 8, 2008

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary