

1	TABLE OF CONTENTS	
2		
3	DEFERRAL AND VARIANCE ACCOUNTS	5
4	OVERVIEW	5
5	<i>Table 9-0 DEFERRAL AND VARIANCE ACCOUNT BALANCES DECEMBER 31,2010</i>	7
6	<i>Table 9-1 Interest Rates Applied (in %)</i>	8
7	GROUP 1 ACCOUNTS	9
8	1550 RETAIL SETTLEMENT VARIANCE ACCOUNT – LOW VOLTAGE CHARGES	9
9	1580 RETAIL SETTLEMENT VARIANCE ACCOUNT - WHOLESALE MARKET SERVICE CHARGES	9
10	1584 RETAIL SETTLEMENT VARIANCE ACCOUNT - RETAIL TRANSMISSION NETWORK CHARGES	10
11	1586 RETAIL SETTLEMENT VARIANCE ACCOUNT - RETAIL TRANSMISSION CONNECTION CHARGES	10
12	1588 RETAIL SETTLEMENT VARIANCE ACCOUNT – POWER	11
13	1588 RETAIL SETTLEMENT VARIANCE ACCOUNT - POWER, SUB-ACCOUNT GLOBAL ADJUSTMENT	11
14	1590 RECOVERY OF REGULATORY ASSET BALANCES	12
15	1595 DISPOSITION AND RECOVERY OF REGULATORY BALANCES	12
16	GROUP 2 ACCOUNTS	13
17	1508 OTHER REGULATORY ASSETS – LATE PAYMENT PENALTIES	13
18	1508 OTHER REGULATORY ASSETS – OTHER	13
19	1508 OTHER REGULATORY ASSETS – SUB ACCOUNT INCREMENTAL CAPITAL CHARGES	13

1	1518	RETAIL COST VARIANCE ACCOUNT - RETAIL	14
2	1548	RETAIL COST VARIANCE ACCOUNT – STR	14
3	1521	SPECIAL PURPOSE CHARGE (SPC) ASSESSMENT VARIANCE ACCOUNT	15
4	1525	MISCELLANEOUS DEFERRED DEBITS	16
5	1556	SMART METER OM&A VARIANCE	17
6	1562	DEFERRED PAYMENTS IN LIEU OF TAXES & 1563 CONTRA	17
7	1582	RETAIL SETTLEMENT VARIANCE ACCOUNT - ONE-TIME WHOLESALE MARKET SERVICE	17
8	AMENDMENT TO 2011 IRM DEFERRAL/VARIANCE ACCOUNT DISPOSITION (2011) RATE RIDER		18
9	2011 IRM APPROVAL AND BOARD DIRECTIVE		18
10	<i>Table 9-2 2011 IRM Approved Group 1 Amounts for Disposition</i>		18
11	<i>Re-Allocation of 2011 IRM3 DefVar Balances to Proposed Rate Classes</i>		19
12	DEFERRAL AND VARIANCE ACCOUNTS REQUESTED		19
13	CONTINUATION OF IFRS TRANSITION COST SUB – ACCOUNT 1508		20
14	METHODS OF DISPOSITION OF ACCOUNTS AND BILL IMPACTS		21
15	ALLOCATORS		21
16	<i>Table 9-3 Allocators</i>		21
17	<i>Table 9-4 Group 1 Balances for disposition</i>		22
18	<i>Table 9-5 Group 2 Balances for disposition</i>		22

1	<i>Table 9-6 RSVA Power Sub-Account Global Adjustment</i>	22
2	<i>Table 9-7 Calculation of Rate Riders</i>	23
3	PROPOSED RATES AND BILL IMPACTS	23
4	SMART METER PROPOSAL	23
5	<i>Table 9-8</i>	24
6	SMART METER PROGRAM STATUS	25
7	SMART METER INITIATIVE (SMI)	26
8	UTIL-ASSIST – CONSULTING ASSISTANCE	26
9	CORNERSTONE HYDRO ELECTRIC CONCEPTS ASSOCIATION (CHEC)	27
10	AMI SELECTION PROCESS - PROCUREMENT OF SMART METERS AND INSTALLATION SERVICES	28
11	RESIDENTIAL AND COMMERCIAL DEPLOYMENT OF SENSUS SMART METERS	29
12	ANNUAL SECURITY AUDIT	29
13	OPERATIONAL DATA STORE (ODS)	31
14	BUSINESS PROCESS REDESIGN	33
15	SYSTEM CHANGES	34
16	INTEGRATION WITH MDM/R	34
17	TRANSITION TO TOU PRICING	35
18	WEB PRESENTMENT	35

1	CONSUMER EDUCATION PLAN	36
2	PROCUREMENT OF SMART METERS AGREEMENTS	36
3	CAPITAL COST ANALYSIS	37
4	OM&A COST ANALYSIS	38
5	SMART METER RATE RIDER FOR COST RECOVERY	39
6	SMART METER COSTS	39
7	<i>Table 9-9 - Detail of Capital and OM&A Costs</i>	40
8	<i>Table 9-10 Summary of Forecast Smart Meter Costs & OM&A</i>	43
9	STRANDED METER COSTS	43
10	<i>Table 9-11 Stranded Meters</i>	43
11	SMART METER ACTUAL COST RECOVERY CALCULATION	44
12	<i>Table 9-12 Rate Rider to Recover Smart Meter Cost</i>	45
13	CONCLUSION	46
14	<i>Appendix A</i>	47
15	<i>Appendix B</i>	48
16		61
17		
18		

1 **DEFERRAL AND VARIANCE ACCOUNTS**

2 **OVERVIEW**

3 The information contained in this exhibit includes the status and description of LUI's deferral
4 and variance accounts, the proposed disposition of certain account balances, and the rate
5 riders required for recovery or refund of the account balances.

6 The deferral and variance accounts are accounted for in accordance with the Accounting
7 Procedures Handbook. LUI has prepared the information included in this application based on
8 the guidelines provided in the Report of the Board on Electricity Distributor's Deferral and
9 Variance Account Review Initiative (EDDVAR). LUI received approval from the Board to recover
10 its Group 1 deferral and variance account balances accumulated to December 31, 2009 in its
11 2011 Incentive Regulation Mechanism Distribution Rate Adjustment. The approved balances
12 and the related interest were transferred to a subaccount of 1595. The corresponding rate
13 riders for the recovery/refund of the approved balances are effective until April 30, 2012. The
14 deferral and variance accounts which have outstanding balances at December 31, 2010 have
15 been identified and described below. The accounts have been divided into two groupings in
16 accordance with the Report of the Board on Electricity Distributor's Deferral and Variance
17 Account Review Initiative (EDDVAR). Unless otherwise stated, LUI is applying for disposition of
18 all account balances as at December 31, 2010

19 The following Table 9-0 contains account balances in the column labeled "Total" from the 2010
20 Audited Financial Statements as at December 31, 2010 and agrees to the 2010 year end
21 balances for RRR filing E2.1.7 Trial Balance as filed April 30, 2011 with the OEB. In the last
22 column, the Table 9-0 shows the claims being requested for disposition in this Cost of Service.

1 LUI asserts that the Group 1 accounts requested for disposition in this filing reflect only those
2 transactions/activities for the year 2010 and interest projected to April 30, 2012.

3 Table 9-1 that follows shows the interest rates that have been used in the calculation of
4 carrying charges on the accounts in accordance with the methodology approved by the Board.

5

1

Table 9-0 DEFERRAL AND VARIANCE ACCOUNT BALANCES DECEMBER 31,2010

DEFERRAL AND VARIANCE ACCOUNT BALANCES AS AT DECEMBER 31, 2010					
Account Number	Account Name	Closing Principal Balance as of Dec- 31-10	Closing Interest Amounts as of Dec- 31-10	TOTAL	CLAIM (including all dispositions and interest forecasts)
Group One					
1550	LV Variance Account	-\$ 233,080	-\$ 1,623	-\$ 234,703	(101,408)
1580	RSVA - Wholesale Market Service Charge	-\$ 323,165	-\$ 2,205	-\$ 325,370	(263,623)
1584	RSVA - Retail Transmission Network Charge	\$ 28,725	\$ 3	\$ 28,722	26,403
1586	RSVA - Retail Transmission Connection Charge	\$ 41,559	\$ 288	\$ 41,847	31,723
1588	RSVA - Power (excluding Global Adjustment)	\$ 91,442	\$ 46,185	\$ 137,627	(411,307)
1588	RSVA - Power - Sub-Account - Global Adjustment	-\$ 60,148	-\$ 3,674	-\$ 63,822	(115,424)
1590	Recovery of Regulatory Asset Balances	\$ 14,919	\$ 14,919	\$ -	292
1595	Disposition and Recovery of Regulatory Balances (2008)10	-\$ 3,552	-\$ 3,552	-\$ -	(70)
1595	Disposition and Recovery of Regulatory Balances (2009)10	-\$ 224,685	-\$ 599	-\$ 225,284	(229,688)
	Group 1 Sub-Total (including Account 1588 - Global Adjustment)	-\$ 667,985	\$ 27,002	-\$ 640,983	(1,063,102)
	Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)	-\$ 607,837	\$ 30,676	-\$ 577,161	(947,678)
1588	RSVA - Power - Sub-Account - Global Adjustment	-\$ 60,148	-\$ 3,674	-\$ 63,822	(115,424)
	Group Two				
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments	-\$ 0	\$ 0	\$ 0	0
1508	Other Regulatory Assets - Sub-Account - Pension Contributions	\$ 0	-\$ 0	-\$ 0	(0)
1508	Other Regulatory Assets - IFRS	\$ -	\$ -	\$ -	-
1508	Other Regulatory Assets	\$ -	\$ -	\$ -	-
1508	Other Regulatory Assets - Other	\$ 9,158	\$ 83	\$ 9,242	9,421
1518	Retail Cost Variance Account - Retail	\$ 43,281	\$ 1,017	\$ 44,297	45,145
1525	Miscellaneous Deferred Debits	\$ 36,872	\$ -	\$ 36,872	37,595
1531	RCCDA	\$ -	\$ -	\$ -	-
1532	RCOM&A DA	\$ -	\$ -	\$ -	-
1533	Renewable Generation Connection Funding Adder Deferral Account	\$ -	\$ -	\$ -	-
1534	Smart Grid Capital Deferral Account	\$ -	\$ -	\$ -	-
1535	Smart Grid OM&A Deferral Account	\$ -	\$ -	\$ -	-
1536	Smart Grid Funding Adder Deferral Account	\$ -	\$ -	\$ -	-
1548	Retail Cost Variance Account - STR	\$ 36,223	\$ 4,185	\$ 40,408	41,118
1555	Capital	\$ 1,714,130	\$ 10,020	\$ 1,724,150	1,757,747
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Interest/Recoveries	-\$ 419,071	-\$ 3,637	-\$ 422,709	(430,922)
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	\$ -	\$ -	\$ -	-
1556	Smart Meter OM&A Variance	\$ 76,300	\$ 425	\$ 76,725	78,221
1565	CDM	\$ 0	\$ 0	\$ 0	0
1566	CDM Contra	-\$ 0	-\$ 0	-\$ 0	(0)
1570	Qualifying Transition Costs 5	\$ -	\$ -	\$ -	-
1571	Pre-market Opening Energy Variance 5	\$ -	\$ -	\$ -	-
1572	Extra-Ordinary Event Costs	\$ -	\$ -	\$ -	-
1574	Deferred Rate Impact Amounts	\$ -	\$ -	\$ -	-
1582	Onetime WMS Account	\$ 30,359	-\$ 12,367	\$ 17,992	18,587
2425	Other Deferred Credits	\$ -	\$ -	\$ -	-
	Group 2 Sub-Total	\$ 1,527,251	-\$ 274	\$ 1,526,977	1,556,911
	Other				
1562	Deferred Payments in Lieu of Taxes	-\$ 234,386	-\$ 11,273	-\$ 245,659	(250,253)
	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	\$ -	\$ -	\$ -	-
1592	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account	\$ -	\$ -	\$ -	-
1592	HST/OVAT Input Tax Credits (ITCs)	\$ 31,574	\$ -	\$ 31,574	31,574
	Total including Group 1 & Group 2	\$ 859,266	\$ 26,728	\$ 885,994	275,131
		\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	-
1521	Special Purpose Charge Assessment Variance Account	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	-
	Total including Account 1521 1	\$ 859,266	\$ 26,728	\$ 885,994	275,131
		\$ -	\$ -	\$ -	-
	The following is not included in the total claim but are included on a memo basis:				
1563	PILS Contra	\$ 234,386	\$ 11,273	\$ 245,659	250,253
1567		\$ -	\$ -	\$ -	-
	PILs and Tax Variance for 2006 and Subsequent Years -				
1592	Sub-Account HST/OVAT Contra Account	-\$ 31,574	\$ -	-\$ 31,574	(31,574)
1595	Disposition and Recovery of Regulatory Balances10	\$ -	\$ -	\$ -	-

2

1

2

Table 9-1 Interest Rates Applied (in %)

	Account 1508	All Other Accounts
Q3 2011 - Note A	1.47	1.47
Q2 2011	1.47	1.47
Q1 2011	1.47	1.47
Q4 2010	1.20	1.20
Q3 2010	0.89	0.89
Q2 2010	0.55	0.55
Q1 2010	0.55	0.55
Q4 2009	0.55	0.55
Q3 2009	0.55	0.55
Q2 2009	1.00	1.00
Q1 2009	2.45	2.45
Q4 2008	3.35	3.35
Q3 2008	3.35	3.35
Q2 2008	4.08	4.08
Q1 2008	5.14	5.14
Q4 2007	5.14	5.14
Q3 2007	4.59	4.59
Q2 2007	4.59	4.59
Q1 2007	4.59	4.59
Q4 2006	4.59	4.59
Q3 2006	4.59	4.59
Q2 2006	4.14	4.14
Q1 2006	3.88	7.25
Q4 2005	3.88	7.25
Q3 2005	3.88	7.25
Q2 2005	3.88	7.25
Q1 2005	3.88	7.25

3

Note A - Rate used in interest projection

4

1 **GROUP 1 ACCOUNTS**

2 **1550 Retail Settlement Variance account – Low Voltage Charges**

3 This account is used to record the net of the amount charged by the host distributor to
4 an embedded distributor and the amount billed to customers based on approved LV
5 rates in accordance with the Accounting Procedures Handbook (APH). LUI uses the
6 accrual method. The Board prescribed interest rates are used to calculate the carrying
7 charges and the interest is recorded in a sub-account.

8 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
9 the 2011 IRM approved disposition amounts plus the forecasted interest through April
10 30, 2012 for account 1550. The requested amount is a credit of \$
11 -\$ 101,408 |

12

13 **1580 Retail Settlement Variance Account - Wholesale Market Service Charges**

14 This account is used to record the net of the amount charged by the IESO based on the
15 settlement invoice for the operation of the IESO-administered markets and the
16 operation of the IESO-controlled grid, and the amount billed to customers using the
17 OEB-approved Wholesale Market Service Rate. LUI uses the accrual method. The Board
18 prescribed interest rates are used to calculate the carrying charges and the interest is
19 recorded in a sub-account.

20 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
21 the 2011 IRM approved disposition amounts plus the forecasted interest through April

1 30, 2012 for account 1580. The requested amount is a credit of \$
2 -\$ 263,623 |

3 **1584 Retail Settlement Variance Account - Retail Transmission Network Charges**

4 This account is used to record the net of the amount charged by the IESO and /or Hydro
5 One, based on the settlement invoice for transmission network services, and the
6 amount billed to customers using the OEB-approved Transmission Network Charge. LUI
7 uses the accrual method. The Board prescribed interest rates are used to calculate the
8 carrying charges and the interest is recorded in a sub-account.

9 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
10 the 2011 IRM approved disposition amounts plus the forecasted interest through April
11 30, 2012 for account 1584. The requested amount is a debit of
12 \$ \$ 26,403 |

13 **1586 Retail Settlement Variance Account - Retail Transmission Connection Charges**

14 This account is used to record the net of the amount charged by the IESO and/or Hydro
15 One, based on the settlement invoice for transmission connection services, and the
16 amount billed to customers using the OEB-approved Transmission Connection Charge.
17 LUI uses the accrual method. The Board prescribed interest rates are used to calculate
18 the carrying charges and the interest is recorded in a sub-account.

19 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
20 the 2011 IRM approved disposition amounts plus the forecasted interest through April
21 30, 2012 for account 1586. The requested amount is a debit of
22 \$ \$ 31,723 |

1 **1588 Retail Settlement Variance Account – Power**

2 This account is used to recover the net difference between the energy amount billed to
3 customers and the energy charge to LUI using the settlement invoice from the IESO. LUI
4 uses the accrual method. The variance between Board-approved and actual line losses
5 is reflected in Account 1588 for the applicable period. The Board prescribed interest
6 rates are used to calculate the carrying charges and the interest is recorded in a sub-
7 account.

8 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
9 the 2011 IRM approved disposition amounts plus the forecasted interest through April
10 30, 2012 for account 1588 - Power. The requested amount is a credit of
11 \$ - \$ 411,307 |

12 **1588 Retail Settlement Variance Account - Power, Sub-account Global Adjustment**

13 This account is used to recover the net difference between the provincial benefit
14 amount billed to customers and the global adjustment charge to LUI using the
15 settlement invoice from the IESO. LUI uses the accrual method. The Board prescribed
16 interest rates are used to calculate the carrying charges and the interest is recorded in a
17 sub-account.

18 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
19 the 2011 IRM approved disposition amounts plus the forecasted interest through April
20 30, 2012 for account 1588 sub account Global Adjustment through a separate non-RPP
21 rate rider. The requested amount is a credit of \$ - \$ 115,424 |

1 **1590 Recovery of Regulatory Asset Balances**

2 This account includes the regulatory asset or liability balances authorized by the Board
3 for recovery in rates or payments/credits made to LUI’s customers. In accordance with
4 the Board’s Decision and Order for LUI’s 2008 Cost of Service this Regulatory Asset rate
5 rider is no longer included in the Distribution Rates. Separate sub-accounts are
6 maintained for expenses, interest, and recovery amounts. The Board prescribed interest
7 rates are used to calculate the carrying charges and the interest is recorded in a sub-
8 account.

9 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance, less
10 the 2011 IRM approved disposition amounts plus the forecasted interest through April
11 30, 2012 for account 1590. The requested amount is a debit of \$
12 \$ 292 |

13 **1595 Disposition and Recovery of Regulatory Balances**

14 This account includes the regulatory asset or liability balances authorized by the Board
15 for recovery in rates or payments/credits made to customers. Separate sub-accounts
16 are maintained for expenses, interest, and recovery amounts approved by the Board in
17 LUI’s 2011 IRM (EB-2010-0095). The Board prescribed interest rates are used to
18 calculate the carrying charges and the interest is recorded in a sub-account.

19 In accordance with the OEB 2010-0095 Decision and Order for LUI’s 2011 IRM rate
20 approval, the December 31, 2009 balances and projected interest to April 30, 2011
21 totaling \$ 444,911 were transferred to account 1595 in April, 2011. LUI is
22 requesting a disposition of both credit balances in this account, relating to 2008 and

1 2009 balances of \$ - 70 | and \$ - $229,688$ |
2 respectively.

3 **GROUP 2 ACCOUNTS**

4 **1508 Other Regulatory Assets – Late Payment Penalties**

5 This account is used to record the transactions for the Late Payment Penalty payment
6 associated with OEB EB-2010-0295. The Board ordered that the costs and damages
7 arising from the settlement of the LPP class action should be allocated to all customers
8 on the basis of distribution revenues. The associated revenues from rate riders
9 associated with this are included. LUI uses the accrual method. The Board prescribed
10 interest rates are used to calculate carrying charges and the interest is recorded in a
11 sub-account.

12 For 2012, LUI is not yet requesting disposition of the balances in this account.

13 **1508 Other Regulatory Assets – Other**

14 This account includes the amounts of regulatory-created assets, not included in other
15 accounts, resulting from the ratemaking actions of the Board. Specifically, this account
16 includes amounts paid to Hydro One for regulatory assets. The Board prescribed interest
17 rates are used to calculate the carrying charges and the interest is recorded in a sub-
18 account

19 **1508 Other Regulatory Assets – Sub Account Incremental Capital Charges**

20 This account is used to record the amount charged by Hydro One Networks Inc., based
21 on the settlement invoice for Incremental Capital Charges. The Board prescribed
22 interest rates are used to calculate the carrying charges and the interest is recorded in a

1 sub-account.

2 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance plus
3 the forecasted interest through April 30, 2012 for account 1508 – Sub-account

4 Incremental Capital Charges. The requested amount is a debit of \$ | 9,421 |

5 **1518 Retail Cost Variance Account - Retail**

6 This account includes the amounts of net revenues derived from the services related to
7 establishing Service Agreements, Distributor-Consolidated Billing, Retailer-Consolidated
8 Billing and Split Billing, as well as the costs of entering into Service Agreements and
9 related to contract administration, monitoring, and other expenses necessary to
10 maintain the contract, as well as the incremental costs incurred to provide the services
11 above.

12 The Board prescribed interest rates are used to calculate the carrying charges and the
13 interest is recorded in a sub-account.

14 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance plus
15 the forecasted interest through April 30, 2012 for account 1518 of \$ | 45,145 |

16 **1548 Retail Cost Variance Account – STR**

17 This account includes revenues derived from the Service Transaction Request services
18 described in the 2000 Electricity Distribution Rate Handbook and charged by the
19 distributor, as prescribed, in the form of a Request fee, Processing fee, Information
20 Request fee, Default fee and Other Associated Costs fee as well as the incremental cost
21 of labour, internal information system maintenance costs, and delivery costs related to
22 the provision of the services associated with the above items.

1 The Board prescribed interest rates are used to calculate the carrying charges and the
2 interest is recorded in a sub-account.

3 For 2012, LUI is requesting disposition of the December 31, 2010 audited balance plus
4 the forecasted interest through April 30, 2012 for account 1548 of \$
5 \$ 41,118 |

6 **1521 Special Purpose Charge (SPC) Assessment Variance Account**

7 This account includes the amount remitted to the Minister of Finance for the SPC
8 assessment. Separate sub-accounts are maintained to record amounts recovered from
9 customers over a one-year period commencing on the date that recovery amounts are
10 billed to customers. The Board prescribed interest rates are used to calculate the
11 carrying charges and the interest is recorded in a sub-account. The April 23, 2011 letter
12 from the Board stated that requests for disposition of the balances will be addressed as
13 part of the proceedings to set rates for the 2011 rate year, no later than April 15, 2012.

14 LUI established account 1521 Sub-account 2011 SPC Variance, and Sub-account 2011
15 SPC Assessment Carrying Charges in accordance with the Board's April 23, 2011 letter.
16 LUI's share of the Assessment for MEI Conservation and Renewable program of
17 \$106,153 was recognized in this account in July 2010, and customer billing for
18 recoveries commenced May 1, 2010. As per the Board's instructions, LUI will recover
19 the SPC assessment over a one-year period and apply to the Board no later than April
20 15, 2012 for an order to clear any debit or credit balance remaining in these 1521 Sub-
21 Accounts.

1 **1525 Miscellaneous Deferred Debits**

2 This account includes debits not elsewhere provided for which will benefit future
3 periods and shall be carried forward and charged to expense over the term of the
4 benefit. Currently this account contains the amounts related to the Late Payment
5 Penalty \$36,872.16. This amount was appropriate reallocated to the proper account
6 1508 subaccount, Late Payment Penalties, on January 1, 2011. LUI has discontinued
7 use of this account. However, while in use, the Board prescribed interest rates are used
8 to calculate the carrying charges and the interest is recorded in a sub-account.

9 1555 Smart Meter Capital and Recovery Offset Variance

10 This account records the net of the amounts paid for direct capital costs related to the
11 smart meter program and the amounts charged to customers using the OEB- approved
12 smart meter rate adder. The Board prescribed interest rates are used to calculate the
13 carrying charges and the interest is recorded in a sub-account.

14 LUI is following the Smart Meter Funding and Cost Recovery Guideline dated October
15 22, 2008 (G-2008-0002) and is requesting a rate rider to recover the True-Up Revenue
16 Requirement from 2008 – 2011 inclusive. This is outlined in more detail later in this
17 Exhibit.

18 LUI is requesting a specific rate rider for the disposition of the December 31, 2010
19 audited balance plus the forecasted interest through April 30, 2012 for the Stranded
20 Meters. The requested amount related solely to Stranded Meters is \$

21 \$ 279,651

1 **1556 Smart Meter OM&A Variance**

2 This account records the incremental operating, maintenance, amortization and
3 administrative expenses directly related to smart meters. The Board prescribed interest
4 rates are used to calculate the carrying charges and the interest is recorded in a sub-
5 account. LUI is following the Smart Meter Funding and Cost Recovery Guideline dated
6 October 22, 2008 (G-2008-0002) and is not requesting recovery of the December 31,
7 2010 audited balance for account 1556 – Smart Meter OM&A

8 **1562 Deferred Payments in Lieu of Taxes & 1563 Contra**

9 This account records the amount resulting from the OEB-approved PILs methodology for
10 determining the 2001 deferral account allowance and the PILs proxy amount
11 determined for 2002 and subsequent periods ending April 30, 2007.

12 LUI is requesting recovery of the December 31, 2010 PILS reconciled balance credit plus
13 interest through to April 30, 2012 of \$⁻\$ 250,253 | and has completed the
14 review of this account to present to the Board for disposition. The evidence to support
15 the disposition of account 1562 has been filed with this Filing.

16

17 **1582 Retail Settlement Variance Account - One-time Wholesale Market Service**

18 This account is used to record the net of non-recurring amounts not included in the
19 Wholesale Market Service Rate charged by the IESO based on the settlement invoice
20 and the amount charged to customers for the same services using the OEB-approved
21 rate. LUI uses the accrual method and has used this method consistently over time for

1 the applicable period. The Board prescribed interest rates are used to calculate the
2 carrying charges and the interest is recorded in a sub-account.

3 LUI is requesting disposition of the December 31, 2010 audited balance plus the
4 forecasted interest through April 30, 2012 for account 1582. The requested amount is a
5 debit of \$ 18,587 .

6 **AMENDMENT TO 2011 IRM DEFERRAL/VARIANCE ACCOUNT DISPOSITION (2011)**
7 **RATE RIDER**

8 **2011 IRM Approval and Board Directive**

9 On March 17, 2011 the Ontario Energy Board's Decision and Order EB-2010-0095 approved
10 four-year disposition for LUI's Group 1 deferral and asset balances in the amount of \$
11 444,911 (DR), which includes a credit balance of \$ 50,423 in the 1588 global
12 adjustment sub-account.

13 In 2011, the approved balances were transferred to account 1595. Table 9-1 below summarizes
14 the 2011 approved Group 1 accounts and amounts for disposition.

15 **Table 9-2 2011 IRM Approved Group 1 Amounts for Disposition**

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	136,059	(1,804)	134,255
RSVA - Wholesale Market Service Charge	1580	57,776	10,305	68,081
RSVA - Retail Transmission Network Charge	1584	(3,215)	333	(2,882)
RSVA - Retail Transmission Connection Charge	1586	(10,891)	(48)	(10,939)
RSVA - Power (Excluding Global Adjustment)	1588	(523,460)	(27,266)	(550,726)
RSVA - Power (Global Adjustment Sub-account)	1588	(47,668)	(2,755)	(50,423)
Recovery of Regulatory Asset Balances	1590	0	0	0
Balance of Disposition and recovery of Regulatory Balances Account (2008)	1595	(28,675)	(3,603)	(32,278)
Disposition and recovery of Regulatory Balances Account	1595	420,074	24,838	444,911
	Total	0	0	0

1

2 **Re-Allocation of 2011 IRM3 DefVar Balances to Proposed Rate Classes**

3 In accordance with the instructions in the OEB 2011 IRM3 DefVar model, Group 1 balances as at
 4 December 31, 2009 were allocated to each rate class using the same kWh based percentages in
 5 the 2008 Cost of Service Model.

6 **DEFERRAL AND VARIANCE ACCOUNTS REQUESTED**

7 LUI is requesting the following new or continuation of existing deferral or variance accounts:

- 8 • Continuation of the IFRS Transition Costs account;
- 9 • Two new deferral accounts for Smart Meters Rate Rider;
 - 10 ○ to determine the difference between original smart meter rate adders and the
 - 11 revenue requirement as calculated in Exhibit 9, Smart Meter rate rider model;
 - 12 ○ to recover stranded meter costs, in a separate sub account.

13

1

2 **CONTINUATION OF IFRS TRANSITION COST SUB – ACCOUNT 1508**

3 In 2010, the OEB approved sub-account 1508 IFRS Transition Costs, to record incremental costs
4 incurred in relation to the transition to International Financial Reporting Standards (IFRS). The
5 July 28, 2009 Report of the Board EB-2008-0408, Transition to International Financial Reporting
6 Standards, stated *“As required by the Canadian Accounting Standards Board, Canadian
7 Generally Accepted Accounting Principles (CGAAP) for publically accountable enterprises will
8 transition to IFRS effective January 1, 2011”*.

9 It was expected by the Board that incremental transition costs incurred after the January 1,
10 2011 were expected to be minimal.

11 On July 20 and 22, 2010, the International Accounting Standards Board (IASB) held deliberations
12 on rate-regulated activities and made the decision to continue with its project addressing the
13 recognition, measurement and disclosure of regulatory assets and liabilities, and not to develop
14 transitional guidance for use by first-time adopters.

15 The Canadian Accounting Standards Board (AcSB) discussed these developments and decided
16 to amend the CICA Handbook to require that qualifying entities with rate-regulated activities
17 adopt IFRS for the first time no later than fiscal periods beginning on or after January 1, 2012.
18 Entities electing to defer the first time adoption of IFRS must also disclose that fact.

19 As a qualifying entity, LUI will be in a position to implement IFRS on January 1, 2011 pending
20 future decisions and direction from the IASB, the AcSB, and the OEB. LUI therefore requests the
21 continuation of the IFRS Transition Cost sub-account 1508 until April 30, 2012.

1 **METHODS OF DISPOSITION OF ACCOUNTS AND BILL IMPACTS**

2 **ALLOCATORS**

3 LUI submits the following Allocators in Table 9-13 used to assign the Group 1 and Group 2
 4 balances to rate each class.

5 **Table 9-3 Allocators**

2012 Data By Class	kW	kWhs	Non RPP KwH	Cust/Conn. Num.'s	1595 ALLOCATOR	Dx Revenue
RESIDENTIAL CLASS		73,125,152	8,441,723	8,603	115,925.37	\$ 2,556,790
GENERAL SERVICE <50 KW CLASS		35,160,634	4,169,928	1,102	55,421.82	\$ 725,309
GENERAL SERVICE > 50 - 2999 KW	303,629	120,608,902	107,789,256	127	184,520.27	\$ 1,181,345
GENERAL SERVICE > 3000 - 4999 KW	47,442	19,295,356	19,295,356	1	35,196.19	\$ 61,414
UNMETERED SCATTERED LOADS		716,623	714,574	77	1,097.68	\$ 44,091
SENTINEL LIGHTS	218	78,431	78,430	54	67.58	\$ 5,072
STREET LIGHTING	3,343	1,215,575	1,215,575	2,804	2,259.58	\$ 178,720
Totals	354,633	250,200,674	141,704,842	12,767	394,488.49	\$ 4,752,742

\$ -

Allocators	kW	kWhs	Non RPP KwH	Cust. Num.'s	1595 ALLOCATOR	Dx Revenue
RESIDENTIAL CLASS	0.0%	29.2%	6.0%	67.4%	29.4%	53.8%
GENERAL SERVICE <50 KW CLASS	0.0%	14.1%	2.9%	8.6%	14.0%	15.3%
GENERAL SERVICE >50 KW	85.6%	48.2%	76.1%	1.0%	46.8%	24.9%
GENERAL SERVICE > 3000 - 4999 KW	13.4%	7.7%	13.6%	0.0%	8.9%	1.3%
UNMETERED & SCATTERED LOADS	0.0%	0.3%	0.5%	0.6%	0.3%	0.9%
SENTINEL LIGHTS	0.1%	0.0%	0.1%	0.4%	0.0%	0.1%
STREET LIGHTING	0.9%	0.5%	0.9%	22.0%	0.6%	3.8%
Totals	100%	100%	100%	100%	100%	100%

6
7

8

9

10

11

1

Table 9-4 Group 1 Balances for disposition

Deferral and Variance Accounts:	Amount	ALLOCATOR	GS 50 - 2999							GS 3,000 - 4,999		Sentinel		Total
			Residential	GS < 50 KW	kW	USL	Lighting	Streetlight	USL	Lighting	Streetlight			
1550	\$ (101,408)	kWh	(29,638)	(14,251)	(48,884)	(7,821)	(290)	(32)	(493)	(101,408)	\$ -			
1580	\$ (263,623)	kWh	(77,048)	(37,047)	(127,079)	(20,330)	(755)	(83)	(1,281)	(263,623)	\$ -			
1584	\$ 26,403	kWh	7,717	3,710	12,728	2,036	76	8	128	26,403	\$ -			
1586	\$ 31,723	kWh	9,271	4,458	15,292	2,446	91	10	154	31,723	\$ -			
1588 Excl GA	\$ (411,307)	kWh	(120,211)	(57,801)	(198,270)	(31,720)	(1,178)	(129)	(1,998)	(411,307)	\$ -			
1588 - Global Adjustment	\$ (115,424)	kwh - Non RPP	(6,876)	(3,397)	(87,798)	(15,717)	(582)	(64)	(990)	(115,424)	\$ -			
1590	\$ 292	kWh	85	41	141	23	1	0	1	292	\$ -			
1595- 2008	\$ (70)	Proportion to Disposition	(20)	(10)	(33)	(6)	(0)	(0)	(0)	(70)	\$ -			
Subtotal - RSVA	\$ (833,414)		\$ (216,720)	\$ (104,295)	\$ (433,903)	\$ (71,089)	\$ (2,639)	\$ (289)	\$ (4,478)	\$ (833,414)	\$ -			

2
3

4

5

Table 9-5 Group 2 Balances for disposition

1508	\$ 9,421	Dx Revenue	5,068	1,438	2,342	122	87	10	354	9,421	\$ -
1518	\$ 45,145	# of Customers	30,421	3,896	449	4	271	190	9,914	45,145	\$ -
1548	\$ 41,118	# of Customers	27,707	3,549	409	3	247	173	9,029	41,118	\$ -
1582	\$ 18,587	kWh	\$ 5,432	\$ 2,612	\$ 8,960	\$ 1,433	\$ 53	\$ 6	\$ 90	\$ 18,587	\$ -
1562	\$ (250,253)	Dx Revenue	\$ (120,402)	\$ (41,226)	\$ (75,871)	\$ (6,099)	\$ (1,804)	\$ (209)	\$ (4,642)	\$ (250,253)	\$ 0
Subtotal - Non RSVA, Variable	\$ (135,982)		\$ (51,773)	\$ (29,731)	\$ (63,711)	\$ (4,537)	\$ (1,145)	\$ 170	\$ 14,746	\$ (135,982)	0
Total to be Recovered	\$ (969,395)		\$ (268,494)	\$ (134,026)	\$ (497,614)	\$ (75,626)	\$ (3,783)	\$ (119)	\$ 10,267	\$ (969,395)	\$ 0

6

7

Table 9-6 RSVA Power Sub-Account Global Adjustment

		Residential	GS < 50 KW	GS 50 - 2999 kW	GS 3,000 - 4,999	USL	Sentinel		
							Lighting	Streetlight	
Global Adjustment Balance to be collected or refunded	\$ (115,424)	\$ (6,876)	\$ (3,397)	\$ (87,798)	\$ (15,717)	\$ (582)	\$ (64)	\$ (990)	(115,424)
Number of years for Variable	4								
Balance to be collected or refunded per year, Variable	\$ (28,856)	\$ (1,719)	\$ (849)	\$ (21,950)	\$ (3,929)	\$ (146)	\$ (16)	\$ (248)	(28,856)

8

9

10

11

1

Table 9-7 Calculation of Rate Riders

2
3

Class	Residential	GS < 50 KW	GS 50 - 2999 kW	GS 3,000 - 4,999	USL	Sentinel Lighting	Streetlight
Deferral and Variance Account Rate Riders, Variable (Excluding Global Adjustment)	\$ (0.0009)	\$ (0.0009)	\$ (0.3374)	\$ (0.3157)	\$ (0.0011)	\$ (0.0634)	\$ 0.8418
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW

4
5

	Residential	GS < 50 KW	GS 50 - 2999 kW	GS 3,000 - 4,999	USL	Sentinel Lighting	Streetlight
Global Adjustment Rate Rider	\$ (0.0002)	\$ (0.0002)	\$ (0.0723)	\$ (0.0828)	\$ (0.0002)	\$ (0.0733)	\$ (0.0740)
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW

6 Table 9-14, 9-15, 9-16 summarizes the variables used to determine the proposed regulatory
 7 asset, and Table 9-17 above summarizes the rate rider by rate class for the Group 1 and Group
 8 2 accounts, excluding the Non-RPP rate rider for the 1588 Sub-Account Global Adjustment. The
 9 billing determinants are based on the 2012 Test Year forecast load data and calculated for a
 10 one-year disposition period. The lower table summarizes the RPP Rate rider, for the 1588 sub
 11 account Global Adjustment.

12 **Proposed Rates and Bill Impacts**

13 The bill impacts are shown in Exhibit 8.

14 **SMART METER PROPOSAL**

15 In this application Lakefront Utilities Inc. is applying for the disposition of smart meter costs
 16 related to smart metering in its service area to its current smart meter funding adder to be
 17 effective May 1 2012.

18

1 **LUI is specifically requesting the following:**

- 2 - An actual cost recovery rate rider of \$ \$ 0.05 per metered customer per
 3 month for the period May 1, 2012 to April 30, 2013. This rate rider will collect the
 4 difference between the smart meter adder collected from May 1, 2006 to April 30, 2012 and
 5 the 2010 and 2011 revenue requirement related to smart meters deployed as of December
 6 31, 2010. Approval to include smart meter capital deployed as of December 31, 2010, plus
 7 forecasted in 2011, in the 2012 rate base that supports the 2012 revenue requirement and
 8 distribution rates which is the subject of this rate application.
 9
- 10 - Approval to include smart meter operation and maintenance expenses in the 2012 revenue
 11 requirement associated with smart meters deployed as of January 1, 2011.
 12
- 13 - Approval to implement a rate rider of \$ 2.37 over a one year period, in order
 14 to recover the costs associated with Stranded Meters, as of December 31, 2010. In doing so,
 15 LUI is removing the NBV of the Stranded Meters from Rate Base, effective January 2012.
 16
 17

18 **Table 9-8**

2011 Approved Smart Meter Rate Adder	\$	2.50
2012 Proposed Smart Meter Rate Rider	\$	0.05
Variance	\$	2.45

21 Customer bill impacts arising from these requests are an overall decrease of \$ 2.45
 22 per metered customer per month for smart meter funding adder/rider, offset by the stranded
 23 meter rider of \$ 2.37.

1 **Smart Meter Program Status**

2 LUI began recovery of smart meter funding adders since 2006:

- 3 • In the **2006** Decision and Order (EB-2005-0436) in accordance to the Generic Decision
4 which provided \$0.30 per month, per residential customer, to be added to LUI's revenue
5 requirement. A monthly fixed charge of \$0.26 metered customer per month effective
6 May 1, 2006, was billed and the proceeds were credited in OEB Account 1555, Smart
7 Meter Capital and Recovery Offset Variance Account.
- 8 • In the **2007** Decision and Order (EB-2007-0550), LUI received approval to continue the
9 \$0.26 per metered customer per month smart metering funding charge for the 2007
10 IRM rate year.
- 11 • In the **2008** Decision and Order (EB-2007-0761), LUI received approval to set a revised
12 smart meter rate adder of \$1.00 per metered customer per month.
- 13 • In the **2009** Decision and Order (EB-2008-0193), LUI received approval to continue the
14 smart meter funding adder of \$1.00 per metered customer per month previously
15 approved by the Board.
- 16 • In its **2010** IRM Decision and Order (EB-2009-0233), LUI received approval for the smart
17 meter funding adder of \$2.00 per metered customer per month.
- 18 • In its **2011** IRM Decision and Order (EB-2010-0095), LUI received approval from the
19 Board for a smart meter funding adder of \$2.50.

20 LUI installed 8,818 smart meters by end of 2010. In this application, LUI seeks recovery of the
21 revenue requirement in respect of these smart meters. As at December 31, 2010, LUI Smart
22 Meter Implementation program was approximately 98 % complete. LUI implemented TOU

1 billing effective June 1, 2011. Projected 2011 costs in this application are for Billing/Customer
2 Service software and costs related to bill presentment, bill print modification, and MDMR
3 integration costs, etc. The total capital cost for the smart meter implementation as of June
4 2011 is approximately \$ \$ 1,945,885 as reflected in Exhibit 9, Table 9-9.

5

6 **Smart Meter Initiative (SMI)**

7 In preparation for the Smart Meter Initiative based on a Directive in June 2004 by the Minister
8 of Energy under Section 27.1 of the *Ontario Energy Board Act*, 1988, Lakefront Utilities and 49
9 other utilities in the Province formed an Ontario Utilities Smart Meter (OUSM) working group,
10 led by a consulting firm by the name of Util-Assist Inc. Through the OUSM group, much
11 information regarding AMI technologies was gathered and analyzed and detailed reports were
12 made available to members which provides test results and detailed information regarding
13 functionality.

14

15 **Util-Assist – Consulting Assistance**

16 In the middle of 2007, in seeking economies of scale for a cost-effective deployment and always
17 considering ways of reducing costs, LUI and other utilities that form the **Cornerstone Hydro Electric**
18 **Concept (CHEC)** group, engaged in a collaborative initiative of entering into a professional services
19 agreement with Util-Assist, an Ontario consulting firm specializing in metering solutions and
20 technologies. Util-Assist was hired to assist with the development of the project plan, evaluations,
21 award of contract, project monitoring, problem solving and reporting. Various preliminary project
22 activities were undertaken and most importantly, the processing of Requests for Proposal for mass
23 installation of smart meters, the selection, supply and support of an installer and a meter-data

1 operational data store (ODS), were issued and evaluated culminating in the selection of successful
2 vendors. Util-Assist remained actively involved in the implementation and rollout phases of the mass
3 deployment contract and ODS contract negotiation through to Q2 2010.

4 Util-Assist's services to LUI were expanded in 2010 to include project management assistance
5 and training services related to our internal operations and readiness for MDMR enrolment.

6 The Util-Assist Report, filed under separate cover provides the major overview of the project
7 and specific information associated with LUI.

8 **Cornerstone Hydro Electric Concepts Association (CHEC)**

9 Cornerstone Hydro Electric Concepts Association Inc. (CHEC), is a not-for-profit member owned
10 organization that provides value added services to their Local Distribution Companies (LDC)
11 members. CHEC strives to reduce LDC costs through sharing of knowledge and information as
12 well as providing savings through joint purchasing of goods and services with its members.

13 The twelve LDCs which form CHEC represent a customer base of approximately 100,000
14 customers. The existing members in CHEC include the following LDCs:

15

- 16 • Centre Wellington Hydro
- 17 • COLLUS Power
- 18 • Innisfil Hydro
- 19 • Lakefront Utilities
- 20 • Lakeland Power Distribution
- 21 • Midland Power Utility
- 22 • Orangeville Hydro
- 23 • Parry Sound Power

- 1 • Rideau St. Lawrence Distribution
- 2 • Wasaga Distribution
- 3 • Wellington North Power
- 4 • West Coast Huron Energy.

5

6 Cornerstone Hydro Electric Concepts Association (CHEC) is an incorporated body that is
7 governed by a Board of Directors. The Board of Directors and Executive are voluntary positions
8 from staff of the member Local Distribution Companies (collectively, “LDCs” or “Member
9 LDC’s”).

10 CHEC’s vision is “to be recognized as the premier LDC Cooperative in the province, by meeting
11 or exceeding member expectations through the sharing of services, opportunities, knowledge
12 and resources.” CHEC is built on sharing between LDCs through committees, staff and
13 consultant positions, shared documents, specific working groups, combined projects and
14 informal communications between members and staff.

15 **AMI Selection Process - Procurement of Smart Meters and Installation Services**

16 LUI was an active participant in the London Phase Two AMI RFP process and details of our
17 participation with the CHEC group is summarized in the Util-Assist report dated August 15, 2011
18 filed under separate cover.

19 Lakefront Utilities was awarded **Sensus’ FlexNet™ AMI** system as the preferred vendor by the
20 Fairness Commissioner (refer to the Attestation Letter of the Fairness Commissioner attached
21 as Appendix A).

1 Following the selection of an AMI provider, attention was turned to the selection of an Installer
2 and an ODS

3 Vendor and details of LUI's participation with the CHEC group is summarized in the Util-Assist
4 report filed under separate cover on pages 8 and 9 consecutively.

5

6

7 **Residential and Commercial Deployment of Sensus Smart Meters**

8 LUI researched the effort required and costs associated with the mass deployment and quickly
9 concluded that the most cost-effective approach to converting the conventional meters to
10 smart meters was to utilize a third-party contractor. Olameter received the contract to perform
11 the mass installation as a result of the CHEC RFP process, and the installations got underway in
12 August 2009 with a scheduled completion date of June 2010. By June 2010, with close to 8,000
13 residential and GS<50 meters installed, the project was essentially 85% complete. Delays were
14 related to the fact that LUI has a higher percentage of inside meters than normal. However, by
15 December 31, 2010, the remaining meter installations related to access issues, unsafe
16 conditions, and structural changes required to get the smart meters in, were completed and LUI
17 was essentially 98% complete. All installations were effectively completed by July 2011.

18

19 **Annual Security Audit**

20 With the mass deployment of AMI systems, security of the AMI network is critical to prevent
21 utilities from becoming susceptible to new levels of potential security breaches and to ensure

1 customer privacy and acceptance of the network. By installing network infrastructure in the
2 field, there is now a requirement for additional security measures in order to ensure that utility
3 data and equipment are kept secure from manipulation or other forms of control. As networks
4 are deployed throughout the world, cyber security articles and reports with reports of the
5 potential for smart-grid hacking are becoming commonplace in the media. The minimum
6 Functional Specification for an Advanced Metering Infrastructure (AMI) released in July 2006
7 identified the need for security within the AMI network – Section 2.11 Security and
8 Authentication: “The AMI shall have security features to prevent unauthorized access to the
9 AMI and meter data and to ensure authentication to all AMI elements.” Some of the privacy
10 and network security infrastructure concerns that have been raised include:

- 11 • Monitoring a consumer’s usage;
- 12 • Modifying one’s own, or another consumer’s usage;
- 13 • Interrupting the power of one or more consumers; and
- 14 • Tampering with demand side management tools which can be controlled through smart
15 meters.

16 Since early 2009, Ontario utilities have been working with their smart meter providers to
17 understand the security features of the networks, best practices for their deployment and new
18 features that are being developed for future implementation within the smart meter networks.
19 In November 2009 the Information and Privacy Commissioner of Ontario released the report
20 Smart Privacy for the Smart Grid which identified areas of concern to be addressed in the area
21 of smart meter and smart grid devices.

22 Going forward, LUI has budgeted for an annual security audit, as this is a prudent approach to
23 satisfying the due diligence requirements for protection not only of the customer information,

1 but also to ensure that access to the infrastructure is properly protected, thereby securing
2 against unwanted modifications to data collection and/or load-control functionality. Security of
3 the network and ensuring that customer data is protected at all times has resulted in the
4 development of governance standards requiring extensive security measures such as NERC
5 (North American Electric Reliability Corporation). The NERC reliability standards are developed
6 by the electricity industry using a balanced, open, fair and inclusive process managed by the
7 NERC Standards Committee.

8 For many Ontario LDCs, including LUI, completing a security audit at a NERC, NIST (Network
9 Information Security & Technology) or comparable level would be a cost-prohibitive exercise.
10 Therefore, LUI joined a consortium of Ontario Util-Assist LDC customers in the issuance of the
11 November 2010 “Smart Meter Network Security Audit Services” Request for Proposal.

12 The objective of the RFP is to select an audit partner who would complete a security audit of
13 the Sensus AMI systems for consortium members with Sensus technology in place, and to the
14 work with Sensus towards the implementation of viable countermeasures to resolve all security
15 concerns. The selected audit firm will first complete an in-depth security review at one
16 participating utility that has the Sensus solution. Once this review is complete, the audit firm
17 would then review the technology at all remaining participating utilities to confirm that their
18 Sensus AMI systems are configured to the same standard as that declared as the standard for
19 the group audit. Audits are anticipated to include end-to end from the meter to utility systems
20 and home area network.

21 **Operational Data Store (ODS)**

22 As LUI moved into the implementation of its AMI systems, a need was recognized for an
23 application that supported full integration with the MDM/R and enabled our team to

1 audit, validate, interact with and gain valuable business information from the wealth of
2 meter data that was being collected. The AMI system, while fully capable of collecting
3 meter read data and forwarding that raw data to the MDM/R, does not provide all of the
4 functionality necessary to interpret and/or leverage the information it is providing in an
5 educated and meaningful fashion.

6 LUI, with Util-Assist's support, issued an RFP for an operational data store (ODS) in Q4
7 2008. Following the RFP process, shortlisted vendors delivered software demonstrations,
8 leading to the selection of Kinetiq as the preferred vendor with their ODS application.

9 The primary requirements and features of the operational data store (ODS) are:

- 10 a) **Dashboard of Field Issues Possibly Requiring Intervention** - Dashboard visibility to
11 the real-time performance of the smart meter system to provide field staff with
12 visibility to troubleshooting priorities such as non-communicating meters, non-
13 communicating tower gateways/collectors, etc.
- 14 b) **AMI SLA Audit** - Audit and reporting / real-time notification capabilities to monitor
15 AMI performance and therefore ensure that data collection and submission service-
16 level agreements (SLAs) with the centralized MDM/R are consistently met.
- 17 c) **Read Re-submission** - The ODS will provide a data repository to facilitate backfilling
18 reads after a meter installation, front-filling reads after a meter removal, and
19 replacing reads labeled as NVE (Needs Verification or Edit) by the IESO MDM/R
20 system. The ODS will provide a mechanism for meter data editing and VEE
21 (Validation, Estimation and Editing) processes (in keeping with the MDM/R
22 specifications), such data can then be re-submitted to the MDM/R. Features such as
23 "register read validation failure resolution" will be invaluable to LUI.

- 1 d) **IESO MDM/R Report Integration / Issue Resolution Automation** - The MDM/R
2 produces a large volume of reports on a daily or regular basis each potentially
3 containing large amounts of information. Kinetiq will load the MDM/R reports, and
4 filter the information they provide in order to provide manageable, meaningful
5 action items that can be prioritized, investigated and resolved.
- 6 e) **Meter Event Monitoring** - Dashboard visibility to report meter events and indicators
7 such as outages, restorations, tampers, voltage changes, etc., many of which will
8 afford LUI the opportunity to improve the safety and reliability of the distribution
9 system.
- 10 f) **Revenue Protection** – LUI will be able to identify and respond to meter tampers which
11 historically would have resulted in unidentified theft of power.
- 12 g) **Outage Reporting** - Real-time outage information to facilitate faster response time,
13 and therefore improved system reliability.

14

15 **Business Process Redesign**

16 Throughout the latter half of 2010, the Util-Assist training team delivered a series of
17 education sessions covering the MDM/R design specifications, meter read data, VEE and
18 other billing processes, and the design of a testing/cutover strategy. LDCs have widely
19 recognized that a number of business processes, including new account setup, meter
20 installations, meter changes, move-in/move-out and final billing all require scrutiny and
21 procedural modifications to ensure that MDM/R integrations are optimized. LUI
22 personnel also attended IESO-led training on business process redesign in 2010. Actual
23 business process redesign consultations were well underway at LUI in early 2011 and is an
24 ongoing process leading up to and after cutover.

1 **System Changes**

2 LUI uses the Harris Northstar Billing System, which is used by several Ontario LDCs
3 including some who had already completed their smart meter deployment and
4 implemented TOU billing. LUI therefore expected the Northstar system to be fully capable
5 of supporting MDM/R integration and TOU billing within defined regulatory timelines and
6 negotiated to purchase the necessary add-on software modules and professional services
7 to ensure that this occurred before we initiated TOU billings.

8 **Integration with MDM/R**

9 By late 2009, internal LUI staff had begun attending relevant IESO training sessions
10 regarding LUI's integration to the provincial Meter Data Management Repository
11 (MDM/R) and we remained active and involved participants, attending the majority of
12 IESO-hosted sessions on a variety of topics pertaining to the MDM/R.

13 LUI filed its registration paperwork and integration project plan with the IESO in Q1 2010.
14 AS2 connectivity software to facilitate data integration with the MDM/R was selected and
15 installed in May 2010 and connectivity testing was scheduled with the IESO for July 2010.
16 The project plan called for Unit Testing to be executed in September 2010 but due to
17 some delays, was completed in January 2011, and System Integration (SIT) and
18 Qualification Testing (QT) in February 2011, in preparation for cutover to live data
19 transfer with the MDMR by March 2011. With many technical steps and challenges
20 overcome, LUI's ability to meet these targeted timelines was to a large extent contingent
21 upon various software systems delivering the promised functionality and suppliers
22 meeting their contractual obligations. LUI attain cutover to production in March 2011.

1 **Transition to TOU Pricing**

2 In mid-2010, the Ontario Government articulated an expectation that 1 million RPP
3 customers would be billed using TOU pricing by the Summer of 2011, rising to 3.6 million
4 customers by June 2012. On June 24, 2011, the Ontario Energy Board issued a proposed
5 determination regarding mandated time-of-use pricing for regulated price plan customers
6 (Board File No. EB-2011-0218), suggesting that distributor-specific TOU dates would be
7 the most appropriate approach, as it allows for the deadline to logically follow MDM/R
8 enrolment activities.

9 According to the proposal, LUI's mandatory TOU date would be the first day of the first
10 billing period that commences 9 months from the date identified in our baseline plan for
11 the commencement of meter enrolment. In response to the Board's issuance of the June
12 24 correspondence, LUI subsequently updated our Baseline filing to ensure that it
13 reflected the MDM/R enrolment date of November 2010

14 LUI is proud that it completed the transition to TOU pricing prior to target date of
15 September 2011.

16 **Web Presentment**

17 The Ministry of Energy and Infrastructure has indicated that electricity customers should
18 ideally have web access to their consumption data with which to make informed decisions
19 about future usage as part of a utility's rollout of TOU pricing. Accordingly, the SME
20 Transition Committee formally requested a proposal from an established web
21 presentment service provider, Whitecap Canada Inc., as they are already providing an
22 effective solution to several LDCs in Ontario. LUI identified the security features, ease of
23 implementation, ease of use, existing integration with the provincial MDM/R, low cost-

1 per-customer advantages, and the consistent user experience for customers as they
2 relocate within Ontario as key benefits of the Whitecap portal solution. LUI will continue
3 exploring its options relating to Web Presentment and anticipates implementing a
4 solution in 2012 once the TOU billing monitoring of any possible challenge is complete
5 and reliable data (current and to some extent historical) is readily available for our
6 customers.

7 **Consumer Education Plan**

8 LUI leveraged the significant development efforts undertaken by the Ministry of Energy to
9 support LDC-specific communications tools and resources related to Time-of-Use (TOU)
10 roll-out to electricity customers. In keeping with our mission statement to deliver
11 exceptional customer service to the ratepayers in our service territory, LUI planned an
12 extensive customer education and outreach campaign aligned with our time-of-use (TOU)
13 pricing rollout. In the meantime, we continue to keep customers informed about our
14 TOU pricing and CDM initiatives through our corporate website, and through regular mail
15 outs in LUI's customer bills.

16

17 **Procurement of Smart Meters Agreements**

18 The following agreements are being filed with the Board Secretary on a confidential basis:

- 19 ▪ Advanced Metering Infrastructure Services Agreement between LUI and
20 Sensus Inc.;
- 21 ▪ Smart Meter Installation Agreement between LUI and Olameter Inc; and
- 22 ▪ Operational Data Store Agreement between LUI and Kinetiq Inc.; and
- 23 ▪ Util-Assist Report;.

1
2 Sensus Inc., Olameter Inc. and Kinetiq Inc. are corporations which are engaged in
3 competitive businesses. The disclosure of the terms of these agreements could reasonably
4 be expected to prejudice the economic interests, competitive positions and cause undue
5 financial interests of Sensus Inc., Kinetiq and Olameter respectively, since it would enable
6 their competitors to ascertain the scope and pricing of services provided by these
7 companies. The Board's Practice Direction on Confidential Filings (the "Practice
8 Direction") recognizes that these are among the factors that the Board will take into
9 consideration when addressing the confidentiality of filings. They are also addressed in
10 section 17(1) of the Freedom of Information and Protection of Privacy Act ("FIPPA"), and
11 the Practice Direction notes (at Appendix C of the Practice Direction) that third party
12 information as described in subsection 17(1) of FIPPA is among the types of information
13 previously assessed or maintained by the Board as confidential. Accordingly, LUI requests
14 that these Agreements be kept confidential.

15 LUI is prepared to provide copies of the Agreements to parties' counsel and experts or
16 consultants provided that they have executed the Board's form of Declaration and
17 Undertaking with respect to confidentiality and that they comply with the practice
18 direction, subject to LUI's right to object to the Board's acceptance of a declaration and
19 undertaking from any person. In keeping with the requirements of the practice direction,
20 LUI is filing confidential unredacted versions of the Agreements under separate cover, in a
21 sealed envelope marked "Confidential".

22 **Capital Cost Analysis**

23 LUI had forecasted to have a total of 8818 smart meter installed by December 31, 2010.
24 Due to new developments, residential customer changes and business closures in our

1 service territory, the number of residential meters installed to date are 8,465 with 2
2 installations remaining, and 1,038 General Service <50, with 31 installations remaining.

3 Advanced Metering Communication Device (AMCD) costs were higher than expected by
4 \$93K due to LUI's service territory geography and a second AMCD requirement to
5 facilitate Colborne customers.

6 The costs for Advanced Metering Regional Collector (AMRC) were more than planned in
7 the budget, as the original RFP that was submitted on behalf of LUI, requested only one
8 collector; however LUI required 2 collectors, one for Cobourg and one for Colbourne. The
9 cost of the additional collector was also negatively impacted by foreign exchange
10 currency.

11 The majority of computer software costs for Advanced Metering Control Computer
12 (AMCC) initially expected to be incurred in 2010 in the amount of \$25K, was not required.

13 AMI costs related to minimum functionality were higher by \$9K, which is not material for
14 this Application.

15 **OM&A Cost Analysis**

16 Actual OM&A costs for 2010 were \$84K under forecast due to less than forecasted Tower
17 Gateway Base Station (TGB) costs in the amount of \$27K. Also, customer communication
18 costs anticipated for 2010 were \$22K, and no costs were incurred in 2009 or 2010. The
19 forecasted other AMI expenses were anticipated to be \$23K, however up until December
20 31, 2010, the total costs incurred were only \$1K.

1 **SMART METER RATE RIDER FOR COST RECOVERY**

2 **Smart Meter Costs**

3 In this application, in addition to audited figures for recoveries up to December 31, 2010,
4 Lakefront Utilities Inc. is also seeking recovery of costs related to the 685 smart
5 meters installed in the Town of Cobourg and Village of Colborne service area in 2011.

6 In the OEB Combined Proceeding EB-2007-0063, to determine issues related to the recovery of
7 costs incurred by distributors that are associated with activities, the Board discussed the issue
8 of confidentially with respect to pricing information. The OEB determined that

9 *“... the competitive positions of the suppliers would be eroded if the prices charged... were*
10 *disclosed. The Board accepts this position.”*, and, that *“the Board finds that it is in the public*
11 *interest that the prices charged to the applicants, including unit prices, installation costs, and*
12 *the contractual terms, be kept confidential. However, the aggregated per unit installed prices*
13 *will be part of the decisions”*.

14 In keeping with that Decision, is being filed in confidence in its entirety, which includes
15 confidential documents pertaining to cost and vendor information.

16

17

18

19

20

1

Table 9-9 - Detail of Capital and OM&A Costs

regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

		2006	2007	2008	2009	2010	2011	2012 and later	Total
		Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter Capital Cost and Operational Expense Data									
Smart Meter Installation Plan									
Actual/Planned number of Smart Meters installed during the Calendar Year									
Residential					5,884	2,364	217		8465
General Service < 50 kW						570	468		1038
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)		0	0	0	5884	2934	685	0	9503
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed		0.00%	0.00%	0.00%	61.92%	92.79%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed									0
Other (please identify)									0
Total Number of Smart Meters installed or planned to be installed		0	0	0	5884	2934	685	0	9503
Capital Costs									
1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)									
<i>Asset Type Asset type must be selected to enable calculations.</i>									
1.1.1 Smart Meters (may include new meters and modules, etc.)	Smart Meter				793,778	292,469	175,448		\$ 1,261,695
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter				86,536	95,901	79,907		\$ 262,344
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)									\$ -
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)									\$ -
Total Advanced Metering Communications Devices (AMCD)		\$ -	\$ -	\$ -	\$ 880,314	\$ 388,370	\$ 255,355	\$ -	\$ 1,524,039
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)									
<i>Asset Type</i>									
1.2.1 Collectors	Smart Meter				298,140				\$ 298,140
1.2.2 Repeaters (may include radio licence, etc.)									\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)									\$ -
Total Advanced Metering Regional Collector (AMRC) (includes LAN)		\$ -	\$ -	\$ -	\$ 298,140	\$ -	\$ -	\$ -	\$ 298,140
1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)									
<i>Asset Type</i>									
1.3.1 Computer Hardware									\$ -
1.3.2 Computer Software									\$ -
1.3.3 Computer Software Licences & Installation (includes hardware and software) (may include AS/400 disk space, backup and recovery computer, UPS, etc.)									\$ -
Total Advanced Metering Control Computer (AMCC)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.4 WIDE AREA NETWORK (WAN)									
<i>Asset Type</i>									
1.4.1 Activation Fees									\$ -
Total Wide Area Network (WAN)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY									
<i>Asset Type</i>									
1.5.1 Customer Equipment (including repair of damaged equipment)									\$ -
1.5.2 AMI Interface to CIS									\$ -
1.5.3 Professional Fees	Computer Software			20,974	30,616	18,994	8,546		\$ 79,130
1.5.4 Integration									\$ -
1.5.5 Program Management									\$ -
1.5.6 Other AMI Capital	Computer Software				12,799	31,777			\$ 44,576
Total Other AMI Capital Costs Related to Minimum Functionality		\$ -	\$ -	\$ 20,974	\$ 43,415	\$ 50,771	\$ 8,546	\$ -	\$ 123,706
Total Capital Costs Related to Minimum Functionality		\$ -	\$ -	\$ 20,974	\$ 1,221,869	\$ 439,141	\$ 263,901	\$ -	\$ 1,945,885
1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY									
<i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>									
1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06									\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service									\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDMR, etc.									\$ -
Total Capital Costs Beyond Minimum Functionality		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Smart Meter Capital Costs		\$ -	\$ -	\$ 20,974	\$ 1,221,869	\$ 439,141	\$ 263,901	\$ -	\$ 1,945,885

1

OM&A Expenses

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)								
2.1.1 Maintenance (may include meter verification costs, etc.)								\$ -
2.1.2 Other (please specify)								\$ -
Total Incremental AMCD OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)								
2.2.1 Maintenance								\$ -
2.2.2 Other (please specify)								\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)								
2.3.1 Hardware Maintenance (may include server support, etc.)								\$ -
2.3.2 Software Maintenance (may include maintenance support, etc.)				14,927	42,874	52,904		\$ 110,705
2.3.2 Other (please specify)								\$ -
Total Incremental AMCC OM&A Costs	\$ -	\$ -	\$ -	\$ 14,927	\$ 42,874	\$ 52,904	\$ -	\$ 110,705
2.4 WIDE AREA NETWORK (WAN)								
2.4.1 WAN Maintenance								\$ -
2.4.2 Other (please specify)								\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY								
2.5.1 Business Process Redesign								\$ -
2.5.2 Customer Communication (may include project communication, etc.)						10,444		\$ 10,444
2.5.3 Program Management								\$ -
2.5.4 Change Management (may include training, etc.)				6,184	10,963	18,960		\$ 36,107
2.5.5 Administration Costs								\$ -
2.5.6 Other AMI Expenses (please specify)				801	548			\$ 1,349
Total Other AMI OM&A Costs Related to Minimum Functionality	\$ -	\$ -	\$ -	\$ 6,985	\$ 11,511	\$ 29,404	\$ -	\$ 47,900
TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -	\$ 158,605
2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY (Please provide a descriptive title and identify nature of beyond minimum functionality costs)								
2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06								\$ -
2.6.2 Costs for deployment of smart meters to customers other than residential and small general service								\$ -
2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.								\$ -
Total OM&A Costs Beyond Minimum Functionality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Smart Meter OM&A Costs	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -	\$ 158,605

Aggregate Smart Meter Costs by Category

3.1	Capital								
3.1.1	Smart Meter	\$ -	\$ -	\$ -	\$ 1,178,454	\$ 388,370	\$ 255,355	\$ -	\$ 1,822,179
3.1.2	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.3	Computer Software	\$ -	\$ -	\$ 20,974	\$ 43,415	\$ 50,771	\$ 8,546	\$ -	\$ 123,706
3.1.4	Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.5	Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.6	Total Capital Costs	\$ -	\$ -	\$ 20,974	\$ 1,221,869	\$ 439,141	\$ 263,901	\$ -	\$ 1,945,885
3.2	OM&A Costs								
3.2.1	Total OM&A Costs	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -	\$ 158,605

2

3

1

Table 9-10 Summary of Forecast Smart Meter Costs & OM&A

2

Aggregate Smart Meter Costs by Category

3.1	Capital									
3.1.1	Smart Meter	\$ -	\$ -	\$ -	\$ 1,178,454	\$ 388,370	\$ 255,365	\$ -	\$ 1,822,179	
3.1.2	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3.1.3	Computer Software	\$ -	\$ -	\$ 20,974	\$ 43,415	\$ 50,771	\$ 8,546	\$ -	\$ 123,706	
3.1.4	Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3.1.5	Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3.1.6	Total Capital Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,974</u>	<u>\$ 1,221,869</u>	<u>\$ 439,141</u>	<u>\$ 263,901</u>	<u>\$ -</u>	<u>\$ 1,945,885</u>	
3.2	OM&A Costs									
3.2.1	Total OM&A Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,912</u>	<u>\$ 54,385</u>	<u>\$ 82,308</u>	<u>\$ -</u>	<u>\$ 158,605</u>	

3

4

5 Stranded Meter Costs

6 Lakefront Utilities is seeking disposition of its stranded meter costs. LUI requests Board
 7 approval for a stranded meter specific rate rider in the amount of \$ 2.37 per
 8 metered customer per month for a one year period commencing May 1, 2012.

9

Table 9-11 Stranded Meters

10

Stranded Meters	
Capital Cost	\$ 688,736
Accumulated Depreciation	\$ 409,085
NBV	<u>\$ 279,651</u>
Rate Rider per Metered Customer per Month	<u>\$ 2.37</u>

11

1 The net book value of the stranded conventional meters at December 31, 2010 was

2

\$ 279,651

3 Proceeds on the scrapped meters are captured in account 1555 as an offset to the costs in the
4 deferral account, in accordance with the Board's Guideline 2008-0002 and the Board's January
5 16, 2007 letter to distributors on stranded meter costs related to the installation of smart
6 meters.

7 A summary of LUI's actual and forecast smart meter costs aggregated in accordance with the
8 OEB's category codes for smart meter costs is included in Table 9-20 above. The 2010 actual
9 costs above are taken from LUI's financial records as at December 31, 2010. The December 31,
10 2010 balances in the smart meter deferral accounts have been audited by Collins Barrow, the
11 external auditor.

12

13 **Smart Meter Actual Cost Recovery Calculation**

14 LUI has used a model provided by OEB staff and used by other distributors for smart meter
15 actual cost recovery calculations. A copy of the Smart Meter Cost Recovery Model is provided
16 in Appendix C.

17 The model calculates the revenue requirement amounts for purposes of the actual cost
18 recovery to December 31, 2011. Table 9-22 summarizes the revenue requirement associated
19 with these meters and the value of the smart meter funding adder collected over the period
20 May 1, 2006 to December 31, 2011.

1 The 2011 costs included in this rate application are forecasted and not auditable until LUI's
 2 fiscal year end.

3 **Table 9-12 Rate Rider to Recover Smart Meter Cost**

	2006	2007	2008	2009	2010	2011	2012 and later	Total		
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ -	\$ 1,147.24	\$ 117,274.29	\$ 274,832.34	\$ 350,279.57	\$ 278,712.28	\$ 1,022,245.71		
SMFA Revenues and carrying charges (from Sheet 8)	\$ 16,231.29	\$ 33,202.44	\$ 52,116.45	\$ 114,617.61	\$ 174,162.78	\$ 256,792.39	\$ 90,513.00	\$ 737,635.96		
Net Deferred Revenue Requirement	-\$ 16,231.29	-\$ 33,202.44	-\$ 50,969.21	\$ 2,656.68	\$ 100,669.56	\$ 93,487.18	\$ 188,199.28	\$ 284,609.75		
Number of Metered Customers (average for 2012 test year)	→							9833		
Calculation of Smart Meter Disposition Rider (per metered customer per month)										
Years for collection or refunding	1									
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011	\$ 743,533.43									
SMFA Revenues collected from 2006 to 2012 test year (inclusive)	\$ 737,635.96									
Net Deferred Revenue Requirement	\$ 5,897.47									
SMDR	May 1, 2012 to April 30, 2013	\$ 0.05							}	Match
Check: Forecasted SMDR Revenues	\$ 5,899.80									

4
 5
 6 Lakefront Utilities Inc. is seeking approval of the smart meter costs in this Application and of the
 7 transfer of the approved amounts from the smart meter deferral accounts to the appropriate
 8 fixed asset, revenue and expense accounts. As shown in Table 9-22, there is a difference of
 9 \$ 5,897.47 between the revenue requirement related to the smart meter costs to
 10 December 31, 2011 and the corresponding smart meter adder collected from May 1, 2006 –
 11 April 30, 2012. LUI proposes to recover this amount from customer by a monthly rate rider of
 12 \$ 0.05 per metered customer over the period May 1, 2012 to April 31, 2013.

13
 14 **Appendices:**

15 Appendix A Attestation Letter of the Fairness Commissioner

1	Appendix B	Auditor's Report
2	Appendix C	Smart Meter Cost Recovery Model
3	Appendix D	Deferral and Variance Accounts

4 **Conclusion**

5 Lakefront Utilities Inc. respectfully submits that the costs necessary to fulfill its obligations
6 under the provincially mandated Smart Meter initiative have been prudently incurred in
7 accordance with Board guidelines; the proposed is just and reasonable, the associated
8 customer bill impacts are minimal; and it is appropriate that the Board approve the proposed
9 recovery rider at this time, for implementation effective May 1, 2012.

10

11

12

13

14

15

16

1

Appendix A



PRP International, Inc. *Fairness Advisory Services*

August 1, 2008

Mr. Bruce Craig
President
Lakefront Utilities Inc.
207 Division Street, Box 577
Cobourg, ON K9A 4L3

Dear Mr. Craig:

Subject: Attestation of the Fairness Commissioner
Advanced Metering Infrastructure RFP, August-July 2008
London Hydro, Consortium & Add-On LDCs Smartmetering Project

PRP International, Inc. is pleased to submit its letter report of the Fairness Commissioner for the noted Request for Proposal (RFP) evaluation and selection phase. This judgment is being provided for the information and use of each Add-On LDC Sponsor, in their consideration of the report from the Evaluation Phase, for this competitive transaction.

*"It is the judgment of PRP International, Inc., as the Fairness Commissioner, that the determinations of the two (2) highest ranked Proponents for the **Lakefront Utilities Inc.** requirements are:*

- *KTY Sensus Limited, as the recommended Preferred Proponent, based on its highest ranking, and*
- *Elster Metering and Silver Spring Networks were tied for the second ranked Proponent position.*

These determinations were made in a fair (objective and competent) manner and consistent with the evaluation and selection processes set out in the RFP, issued August 14, 2007."

A detailed report for your records will be submitted to you, by August 31, 2008. Should you have any questions or require clarification of any matter contained in this letter report, please contact the undersigned.

Yours truly,

Peter Sorensen
President
cc: Mr. Gary Rains, RFP Project Director

203 - 8 QUEEN STREET, SUMMERSIDE, PEI C1N 0A6
TELEPHONE: 902.436.3930 FAX: 604-677-5409
EMAIL: fairness@telus.net

2

3

1

Appendix B

2

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

5. **DEFERRAL ACCOUNTS**

As described in Note 2(b), the Company has recorded the following deferral accounts.

	2010	2009
	\$	\$
Cost of power variance accounts	73,808	1,685,143
Retail settlement variance accounts	(236,498)	(787,281)
Smart Meters	1,365,795	1,044,727
Other deferral accounts	144,268	248,306
	<u>1,347,373</u>	<u>2,190,895</u>

The deferral accounts are accumulated as prescribed by regulatory policy and will be subject to review and disposition through future rate review processes, the timing of which have yet to be determined. It is fully expected that the approved disposition of any asset or liability accumulated at that time will be through the adjustment of future rates. The Company continually assesses the likelihood of the recovery of recoverable assets. If recovery is no longer considered probable, the amounts are charged to operations in the year the assessment is made.

During the year there were authorized expenditures on the Smart Meter program in the aggregate amount of \$423,500 (2009 - \$1,267,837), which have been partially funded and offset by approved interim rate recoveries in the amount of \$184,055 (2009 - \$218,210). In addition, included in capital assets is an amount of \$317,000 (2009 - \$217,000) for meters which have been replaced. These amounts have not yet been written down as it is anticipated that these amounts will be approved and recoverable in future rate setting processes.

In the absence of rate regulation supporting the accumulation of these amounts, the Company would capitalize the amounts as equipment and the current year net income would be reduced by \$159,000 (2009 - \$241,000) for additional amortization of approximately \$59,000 (2009 - \$24,000) and for the writedown of \$100,000 (2009 - \$217,000) for the meter assets no longer in service.

3

4

5

1

Appendix C

regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter Capital Cost and Operational Expense Data								
Smart Meter Installation Plan								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential				5,884	2,364	217		8465
General Service < 50 kW					570	468		1038
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	5884	2934	685	0	9503
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	61.92%	92.79%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	5884	2934	685	0	9503
Capital Costs								
1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)								
<i>Asset Type</i> <i>Asset type must be selected to enable calculations.</i>								
1.1.1 Smart Meters (may include new meters and modules, etc.)	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter				793,778	292,469	175,448		\$ 1,261,695
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)				86,536	95,901	79,907		\$ 262,344
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)								\$ -
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)								\$ -
Total Advanced Metering Communications Devices (AMCD)	\$ -	\$ -	\$ -	\$ 880,314	\$ 388,370	\$ 255,355	\$ -	\$ 1,524,039
1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)								
<i>Asset Type</i>								
1.2.1 Collectors	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
Smart Meter				298,140				\$ 298,140
1.2.2 Repeaters (may include radio licence, etc.)								\$ -
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)								\$ -
Total Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ -	\$ 298,140	\$ -	\$ -	\$ -	\$ 298,140

2
3

	Asset Type	Audited Actual						Forecast	
1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)									
1.3.1 Computer Hardware									\$ -
1.3.2 Computer Software									\$ -
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include ASI400 disk space, backup and recovery computer, UPS, etc.)</i>									\$ -
Total Advanced Metering Control Computer (AMCC)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
1.4 WIDE AREA NETWORK (WAN)									
1.4.1 Activation Fees									\$ -
Total Wide Area Network (WAN)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY									
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>									\$ -
1.5.2 AMI Interface to CIS									\$ -
1.5.3 Professional Fees	Computer Software			20,974	30,616	18,994	8,546		\$ 79,130
1.5.4 Integration									\$ -
1.5.5 Program Management									\$ -
1.5.6 Other AMI Capital	Computer Software				12,799	31,777			\$ 44,576
Total Other AMI Capital Costs Related to Minimum Functionality		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,974</u>	<u>\$ 43,415</u>	<u>\$ 50,771</u>	<u>\$ 8,546</u>	<u>\$ -</u>	<u>\$ 123,706</u>
Total Capital Costs Related to Minimum Functionality		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,974</u>	<u>\$ 1,221,869</u>	<u>\$ 439,141</u>	<u>\$ 263,901</u>	<u>\$ -</u>	<u>\$ 1,945,885</u>
1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY <i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>									
1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06									\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service									\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDMR, etc.									\$ -
Total Capital Costs Beyond Minimum Functionality		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Smart Meter Capital Costs		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,974</u>	<u>\$ 1,221,869</u>	<u>\$ 439,141</u>	<u>\$ 263,901</u>	<u>\$ -</u>	<u>\$ 1,945,885</u>

2 OM&A Expenses

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)								
2.1.1 Maintenance (may include meter reverification costs, etc.)								\$ -
2.1.2 Other (please specify)								\$ -
Total Incremental AMCD OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)								
2.2.1 Maintenance								\$ -
2.2.2 Other (please specify)								\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)								
2.3.1 Hardware Maintenance (may include server support, etc.)								\$ -
2.3.2 Software Maintenance (may include maintenance support, etc.)				14,927	42,874	52,904		\$ 110,705
2.3.2 Other (please specify)								\$ -
Total Incremental AMCC OM&A Costs	\$ -	\$ -	\$ -	\$ 14,927	\$ 42,874	\$ 52,904	\$ -	\$ 110,705
2.4 WIDE AREA NETWORK (WAN)								
2.4.1 WAN Maintenance								\$ -
2.4.2 Other (please specify)								\$ -
Total Incremental AMRC OM&A Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1
2

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign								\$ -
2.5.2 Customer Communication (may include project communication, etc.)						10,444		\$ 10,444
2.5.3 Program Management								\$ -
2.5.4 Change Management (may include training, etc.)				6,184	10,963	18,960		\$ 36,107
2.5.5 Administration Costs								\$ -
2.5.6 Other AMI Expenses (please specify)				801	548			\$ 1,349
Total Other AMI OM&A Costs Related to Minimum Functionality	\$ -	\$ -	\$ -	\$ 6,985	\$ 11,511	\$ 29,404	\$ -	\$ 47,900
TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -	\$ 158,605

2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	
2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06							\$ -
2.6.2 Costs for deployment of smart meters to customers other than residential and small general service							\$ -
2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDWR, etc.							\$ -
Total OM&A Costs Beyond Minimum Functionality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Smart Meter OM&A Costs	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -

3
4

3 Aggregate Smart Meter Costs by Category

3.1	Capital								
3.1.1	Smart Meter	\$ -	\$ -	\$ -	\$ 1,178,454	\$ 388,370	\$ 255,355	\$ -	\$ 1,822,179
3.1.2	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.3	Computer Software	\$ -	\$ -	\$ 20,974	\$ 43,415	\$ 50,771	\$ 8,546	\$ -	\$ 123,706
3.1.4	Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.5	Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.1.6	Total Capital Costs	\$ -	\$ -	\$ 20,974	\$ 1,221,869	\$ 439,141	\$ 263,901	\$ -	\$ 1,945,885
3.2	OM&A Costs								
3.2.1	Total OM&A Costs	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -	\$ 158,605

1
2

	2006	2007	2008	2009	2010	2011	2012 and later
Cost of Capital							
Capital Structure¹							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	0.0%	0.0%	60.0%	60%	56%	56%	56%
Deemed Equity Capitalization	100.0%	100.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Preferred Shares	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital Parameters							
Deemed Short-term Debt Rate			0.00%	0.00%	0.00%	2.46%	2.46%
Long-term Debt Rate (actual/embedded/deemed) ²	5.80%	5.80%	6.10%	6.39%	6.02%	5.75%	5.32%
Target Return on Equity (ROE)	0.0%	0.00%	9.00%	8.57%	9.85%	9.58%	9.58%
Return on Preferred Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WACC	0.00%	0.00%	7.26%	7.26%	7.31%	7.15%	6.91%
Working Capital Allowance							
Working Capital Allowance Rate <i>(% of the sum of Cost of Power + controllable expenses)</i>	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Taxes/PILs							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
Depreciation Rates <i>(expressed as expected useful life in years)</i>							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Tools & Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CCA Rates							
Smart Meters - CCA Class	47	47	47	47	47	47	47
Smart Meters - CCA Rate	8%	8%	8%	8%	8%	8%	8%
Computer Equipment - CCA Class	50	50	50	50	50	50	50
Computer Equipment - CCA Rate	55%	55%	55%	55%	55%	55%	55%
General Equipment - CCA Class	50	50	50	50	50	50	50
General Equipment - CCA Rate	55%	55%	55%	55%	55%	55%	55%

Assumptions

- Planned smart meter installations occur evenly throughout the year.
- Fiscal calendar year (January 1 to December 31) used.
- Amortization is done on a straight line basis and has the "half-year" rule applied.

3

LAKEFRONT UTILITIES INC.

EB-2011-0250

EXHIBIT 9

Page 53 of 67

	2006	2007	2008	2009	2010	2011	2012 and later
Net Fixed Assets - Smart Meters							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ 1,178,454	\$ 1,566,824	\$ 1,822,179
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 1,178,454	\$ 388,370	\$ 255,355	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 1,178,454	\$ 1,566,824	\$ 1,822,179	\$ 1,822,179
Accumulated Depreciation							
Opening Balance		\$ -	\$ -	\$ -	\$ 39,282	\$ 130,791	\$ 243,758
Amortization expense during year	\$ -	\$ -	\$ -	\$ 39,282	\$ 91,509	\$ 112,967	\$ 121,479
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ 39,282	\$ 130,791	\$ 243,758	\$ 365,236
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,139,172	\$ 1,436,033	\$ 1,578,421
Closing Balance	\$ -	\$ -	\$ -	\$ 1,139,172	\$ 1,436,033	\$ 1,578,421	\$ 1,456,943
Average Net Book Value	\$ -	\$ -	\$ -	\$ 569,586	\$ 1,287,603	\$ 1,507,227	\$ 1,517,682
Net Fixed Assets - Computer Hardware							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Fixed Assets - Computer Software							
Gross Book Value							
Opening Balance		\$ -	\$ -	\$ 20,974	\$ 64,389	\$ 115,160	\$ 123,706
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ 20,974	\$ 43,415	\$ 50,771	\$ 8,546	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ 20,974	\$ 64,389	\$ 115,160	\$ 123,706	\$ 123,706
Accumulated Depreciation							
Opening Balance	\$ -	\$ -	\$ -	\$ 2,097	\$ 10,634	\$ 28,589	\$ 52,475
Amortization expense during year	\$ -	\$ -	\$ 2,097	\$ 8,536	\$ 17,955	\$ 23,887	\$ 24,741
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ 2,097	\$ 10,634	\$ 28,589	\$ 52,475	\$ 77,216
Net Book Value							
Opening Balance	\$ -	\$ -	\$ -	\$ 18,877	\$ 53,755	\$ 86,571	\$ 71,231
Closing Balance	\$ -	\$ -	\$ 18,877	\$ 53,755	\$ 86,571	\$ 71,231	\$ 46,490
Average Net Book Value	\$ -	\$ -	\$ 9,438	\$ 36,316	\$ 70,163	\$ 78,901	\$ 58,860
Net Fixed Assets - Tools and Equipment							

Net Fixed Assets - Tools and Equipment

Gross Book Value

Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Fixed Assets - Other Equipment

Gross Book Value

Opening Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accumulated Depreciation

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Book Value

Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LAKEFRONT UTILITIES INC.

EB-2011-0250

EXHIBIT 9

Page 55 of 67

	2006	2007	2008	2009	2010	2011	2012 and Later
Average Net Fixed Asset Values (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 569,586	\$ 1,287,603	\$ 1,507,227	\$ 1,517,682
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ 9,438	\$ 36,316	\$ 70,163	\$ 78,901	\$ 58,860
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Fixed Assets	\$ -	\$ -	\$ 9,438	\$ 605,902	\$ 1,357,766	\$ 1,586,128	\$ 1,576,542
Working Capital							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ 3,287	\$ 8,158	\$ 12,346	\$ -
Incremental Smart Meter Rate Base	\$ -	\$ -	\$ 9,438	\$ 609,189	\$ 1,365,924	\$ 1,598,474	\$ 1,576,542
Return on Rate Base							
Capital Structure							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 54,637	\$ 63,939	\$ 63,062
Deemed Long Term Debt	\$ -	\$ -	\$ 5,663	\$ 365,513	\$ 764,917	\$ 895,146	\$ 882,864
Equity	\$ -	\$ -	\$ 3,775	\$ 243,676	\$ 546,369	\$ 639,390	\$ 630,617
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitalization	\$ -	\$ -	\$ 9,438	\$ 609,189	\$ 1,365,924	\$ 1,598,474	\$ 1,576,542
Return on							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,573	\$ 1,551
Deemed Long Term Debt	\$ -	\$ -	\$ 345	\$ 23,356	\$ 46,048	\$ 51,471	\$ 46,968
Equity	\$ -	\$ -	\$ 340	\$ 20,883	\$ 53,817	\$ 61,254	\$ 60,413
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return on Capital	\$ -	\$ -	\$ 685	\$ 44,239	\$ 99,865	\$ 114,297	\$ 108,933
Operating Expenses	\$ -	\$ -	Error	Error	Error	Error	Error
Amortization Expenses (from Sheet 4)							
Smart Meters	\$ -	\$ -	\$ -	\$ 39,282	\$ 91,509	\$ 112,967	\$ 121,479
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ 2,097	\$ 8,536	\$ 17,955	\$ 23,887	\$ 24,741
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amortization Expense in Year	\$ -	\$ -	\$ 2,097	\$ 47,818	\$ 109,464	\$ 136,853	\$ 146,220
Incremental Revenue Requirement before Taxes/PILs	\$ -	\$ -	\$ 2,783	\$ 113,969	\$ 263,715	\$ 333,459	\$ 255,153
Calculation of Taxable Income							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ 21,912	\$ 54,385	\$ 82,308	\$ -
Amortization Expense	\$ -	\$ -	\$ 2,097	\$ 47,818	\$ 109,464	\$ 136,853	\$ 146,220
Interest Expense	\$ -	\$ -	\$ 345	\$ 23,356	\$ 46,048	\$ 53,044	\$ 48,520
Net Income for Taxes/PILs	\$ -	\$ -	\$ 340	\$ 20,883	\$ 53,817	\$ 61,254	\$ 60,413
Grossed-up Taxes/PILs (from Sheet 7)	\$ -	\$ -	\$ 1,635.38	\$ 3,304.89	\$ 11,117.76	\$ 16,820.89	\$ 23,559.73
Revenue Requirement, including Grossed-up Taxes/PILs	\$ -	\$ -	\$ 1,147	\$ 117,274	\$ 274,832	\$ 350,280	\$ 278,712

For PILs Calculation

UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 1,131,315.84	\$ 1,413,645.77	\$ 1,545,694.91
Capital Additions	\$ -	\$ -	\$ -	\$ 1,178,454.00	\$ 388,370.00	\$ 255,355.00	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 1,178,454.00	\$ 1,519,685.84	\$ 1,669,000.77	\$ 1,545,694.91
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 589,227.00	\$ 194,185.00	\$ 127,677.50	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 589,227.00	\$ 1,325,500.84	\$ 1,541,323.27	\$ 1,545,694.91
CCA Rate Class	47	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ -	\$ 47,138.16	\$ 106,040.07	\$ 123,305.86	\$ 123,655.59
Closing UCC	\$ -	\$ -	\$ -	\$ 1,131,315.84	\$ 1,413,645.77	\$ 1,545,694.91	\$ 1,422,039.32

UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ 15,206.15	\$ 38,318.64	\$ 54,052.36	\$ 30,519.41
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ 20,974.00	\$ 43,415.00	\$ 50,771.00	\$ 8,546.00	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ 20,974.00	\$ 58,621.15	\$ 89,089.64	\$ 62,598.36	\$ 30,519.41
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 10,487.00	\$ 21,707.50	\$ 25,385.50	\$ 4,273.00	\$ -
Reduced UCC	\$ -	\$ -	\$ 10,487.00	\$ 36,913.65	\$ 63,704.14	\$ 58,325.36	\$ 30,519.41
CCA Rate Class	50	50	50	50	50	50	50
CCA Rate	55%	55%	55%	55%	55%	55%	55%
CCA	\$ -	\$ -	\$ 5,767.85	\$ 20,302.51	\$ 35,037.28	\$ 32,078.95	\$ 16,785.68
Closing UCC	\$ -	\$ -	\$ 15,206.15	\$ 38,318.64	\$ 54,052.36	\$ 30,519.41	\$ 13,733.74

UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA Rate Class	50	50	50	50	50	50	50
CCA Rate	55%	55%	55%	55%	55%	55%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
INCOME TAX							
Net Income	\$ -	\$ -	\$ 339.78	\$ 20,882.99	\$ 53,817.39	\$ 61,253.54	\$ 60,413.09
Amortization	\$ -	\$ -	\$ 2,097.40	\$ 47,818.10	\$ 109,464.17	\$ 136,853.37	\$ 146,219.80
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 47,138.16	\$ 106,040.07	\$ 123,305.86	\$ 123,655.59
CCA - Computers	\$ -	\$ -	\$ 5,767.85	\$ 20,302.51	\$ 35,037.28	\$ 32,078.95	\$ 16,785.68
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ 3,330.67	\$ 1,260.43	\$ 22,204.21	\$ 42,722.09	\$ 66,191.62
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Income Taxes Payable	\$ -	\$ -	\$ 1,115.77	\$ 415.94	\$ 6,883.31	\$ 12,068.99	\$ 17,375.30
ONTARIO CAPITAL TAX							
Smart Meters	\$ -	\$ -	\$ -	\$ 1,139,172.20	\$ 1,436,032.93	\$ 1,578,421.17	\$ 1,456,942.57
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ 18,876.60	\$ 53,755.30	\$ 86,571.40	\$ 71,230.80	\$ 46,489.60
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ 18,876.60	\$ 1,192,927.50	\$ 1,522,604.33	\$ 1,649,651.97	\$ 1,503,432.17
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ 18,876.60	\$ 1,192,927.50	\$ 1,522,604.33	\$ 1,649,651.97	\$ 1,503,432.17
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ 42.47	\$ 2,684.09	\$ 1,141.95	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ 1,115.77	\$ 415.94	\$ 6,883.31	\$ 12,068.99	\$ 17,375.30
Change in OCT	\$ -	\$ -	\$ 42.47	\$ 2,684.09	\$ 1,141.95	\$ -	\$ -
PIL's	\$ -	\$ -	\$ 1,073.30	\$ 3,100.03	\$ 8,025.26	\$ 12,068.99	\$ 17,375.30
Gross Up PILs							
Tax Rate	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%
Change in Income Taxes Payable	\$ -	\$ -	\$ 1,677.86	\$ 620.81	\$ 9,975.81	\$ 16,820.89	\$ 23,559.73
Change in OCT	\$ -	\$ -	\$ 42.47	\$ 2,684.09	\$ 1,141.95	\$ -	\$ -
PIL's	\$ -	\$ -	\$ 1,635.38	\$ 3,304.89	\$ 11,117.76	\$ 16,820.89	\$ 23,559.73

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2006 Q1			Jan-06	2006	01	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	01	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	01	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	02	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	02	\$ -	\$ 614.00	4.14%	\$ -	\$ 614.00		\$ 0.26
2007 Q2	4.59%	4.72%	Jun-06	2006	02	\$ 614.00	\$ 1,766.00	4.14%	\$ 2.12	\$ 2,382.12		\$ 0.26
2007 Q3	4.59%	5.18%	Jul-06	2006	03	\$ 2,382.12	\$ 2,343.00	4.59%	\$ 9.11	\$ 4,734.23		\$ 0.26
2007 Q4	5.14%	5.18%	Aug-06	2006	03	\$ 4,734.23	\$ 2,119.00	4.59%	\$ 18.11	\$ 6,871.34		\$ 0.26
2008 Q1	5.14%	5.18%	Sep-06	2006	03	\$ 6,871.34	\$ 2,322.00	4.59%	\$ 26.28	\$ 9,219.62		\$ 0.26
2008 Q2	4.08%	5.18%	Oct-06	2006	04	\$ 9,219.62	\$ 2,715.00	4.59%	\$ 35.27	\$ 11,969.89		\$ 0.26
2008 Q3	3.35%	5.43%	Nov-06	2006	04	\$ 11,969.89	\$ 2,265.00	4.59%	\$ 45.78	\$ 14,280.67		\$ 0.26
2008 Q4	3.35%	5.43%	Dec-06	2006	04	\$ 14,280.67	\$ 1,896.00	4.59%	\$ 54.62	\$ 16,231.29	\$ 16,231.29	\$ 0.26
2009 Q1	6.61%	2.45%	Jan-07	2007	01	\$ 16,231.29	\$ 2,336.00	4.59%	\$ 62.08	\$ 18,629.37		\$ 0.26
2009 Q2	1.00%	6.61%	Feb-07	2007	01	\$ 18,629.37	\$ 2,316.00	4.59%	\$ 71.26	\$ 21,016.63		\$ 0.26
2009 Q3	0.55%	5.67%	Mar-07	2007	01	\$ 21,016.63	\$ 2,751.00	4.59%	\$ 80.39	\$ 23,848.02		\$ 0.26
2009 Q4	0.55%	4.66%	Apr-07	2007	02	\$ 23,848.02	\$ 1,919.00	4.59%	\$ 91.22	\$ 25,858.24		\$ 0.26
2010 Q1	0.55%	4.34%	May-07	2007	02	\$ 25,858.24	\$ 2,778.00	4.59%	\$ 98.91	\$ 28,735.15		\$ 0.26
2010 Q2	0.55%	4.34%	Jun-07	2007	02	\$ 28,735.15	\$ 1,787.00	4.59%	\$ 109.91	\$ 30,632.06		\$ 0.26
2010 Q3	4.66%	0.89%	Jul-07	2007	03	\$ 30,632.06	\$ 1,967.00	4.59%	\$ 117.17	\$ 32,716.23		\$ 0.26
2010 Q4	1.20%	4.01%	Aug-07	2007	03	\$ 32,716.23	\$ 2,507.00	4.59%	\$ 125.14	\$ 35,348.37		\$ 0.26
2011 Q1	1.47%	4.29%	Sep-07	2007	03	\$ 35,348.37	\$ 2,327.00	4.59%	\$ 135.21	\$ 37,810.58		\$ 0.26
2011 Q2	1.47%	4.29%	Oct-07	2007	04	\$ 37,810.58	\$ 2,583.00	5.14%	\$ 161.96	\$ 40,555.54		\$ 0.26
2011 Q3	1.47%	4.29%	Nov-07	2007	04	\$ 40,555.54	\$ 2,106.00	5.14%	\$ 173.71	\$ 42,835.25		\$ 0.26
2011 Q4	1.47%	4.29%	Dec-07	2007	04	\$ 42,835.25	\$ 6,415.00	5.14%	\$ 183.48	\$ 49,433.73	\$ 33,202.44	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	01	\$ 49,433.73	\$ 3,149.00	5.14%	\$ 211.74	\$ 52,794.47		\$ 0.26
2012 Q2	1.47%	4.29%	Feb-08	2008	01	\$ 52,794.47	\$ 1,892.00	5.14%	\$ 226.14	\$ 54,912.61		\$ 0.26
2012 Q3	1.47%	4.29%	Mar-08	2008	01	\$ 54,912.61	\$ 2,361.00	5.14%	\$ 235.21	\$ 57,508.82		\$ 0.26
2012 Q4	1.47%	4.29%	Apr-08	2008	02	\$ 57,508.82	\$ 2,587.00	4.08%	\$ 195.53	\$ 60,291.35		\$ 0.26
			May-08	2008	02	\$ 60,291.35	\$ 1,927.00	4.08%	\$ 204.99	\$ 62,423.34		\$ 1.00
			Jun-08	2008	02	\$ 62,423.34	\$ 2,516.00	4.08%	\$ 212.24	\$ 65,151.58		\$ 1.00
			Jul-08	2008	03	\$ 65,151.58	\$ 2,637.00	3.35%	\$ 161.88	\$ 67,970.46		\$ 1.00
			Aug-08	2008	03	\$ 67,970.46	\$ 3,506.00	3.35%	\$ 169.75	\$ 71,666.21		\$ 1.00
			Sep-08	2008	03	\$ 71,666.21	\$ 6,951.00	3.35%	\$ 200.07	\$ 78,817.28		\$ 1.00
			Oct-08	2008	04	\$ 78,817.28	\$ 8,147.00	3.35%	\$ 220.03	\$ 87,184.31		\$ 1.00
			Nov-08	2008	04	\$ 87,184.31	\$ 9,104.00	3.35%	\$ 243.39	\$ 96,531.70		\$ 1.00
			Dec-08	2008	04	\$ 96,531.70	\$ 4,749.00	3.35%	\$ 269.48	\$ 101,550.18	\$ 52,116.45	\$ 1.00
			Jan-09	2009	01	\$ 101,550.18	\$ 9,157.00	2.45%	\$ 207.33	\$ 110,914.51		\$ 1.00
			Feb-09	2009	01	\$ 110,914.51	\$ 10,237.00	2.45%	\$ 226.45	\$ 121,377.96		\$ 1.00
			Mar-09	2009	01	\$ 121,377.96	\$ 10,050.00	2.45%	\$ 247.81	\$ 131,675.77		\$ 1.00
			Apr-09	2009	02	\$ 131,675.77	\$ 9,472.00	1.00%	\$ 109.73	\$ 141,257.50		\$ 1.00
			May-09	2009	02	\$ 141,257.50	\$ 8,762.00	1.00%	\$ 117.71	\$ 150,137.21		\$ 1.00
			Jun-09	2009	02	\$ 150,137.21	\$ 8,686.00	1.00%	\$ 125.11	\$ 158,948.32		\$ 1.00
			Jul-09	2009	03	\$ 158,948.32	\$ 10,418.00	0.55%	\$ 72.85	\$ 169,439.17		\$ 1.00
			Aug-09	2009	03	\$ 169,439.17	\$ 8,605.00	0.55%	\$ 77.66	\$ 178,121.83		\$ 1.00
			Sep-09	2009	03	\$ 178,121.83	\$ 10,148.00	0.55%	\$ 81.64	\$ 188,351.47		\$ 1.00
			Oct-09	2009	04	\$ 188,351.47	\$ 8,685.00	0.55%	\$ 86.33	\$ 197,122.80		\$ 1.00
			Nov-09	2009	04	\$ 197,122.80	\$ 9,280.00	0.55%	\$ 90.35	\$ 206,493.15		\$ 1.00
			Dec-09	2009	04	\$ 206,493.15	\$ 9,580.00	0.55%	\$ 94.64	\$ 216,167.79	\$ 114,617.61	\$ 1.00
			Jan-10	2010	01	\$ 216,167.79	\$ 9,217.00	0.55%	\$ 99.08	\$ 225,483.87		\$ 1.00
			Feb-10	2010	01	\$ 225,483.87	\$ 7,128.00	0.55%	\$ 103.35	\$ 232,715.22		\$ 1.00
			Mar-10	2010	01	\$ 232,715.22	\$ 10,904.00	0.55%	\$ 106.66	\$ 243,725.88		\$ 1.00
			Apr-10	2010	02	\$ 243,725.88	\$ 9,516.00	0.55%	\$ 111.71	\$ 253,353.59		\$ 1.00
			May-10	2010	02	\$ 253,353.59	\$ 9,230.00	0.55%	\$ 116.12	\$ 262,699.71		\$ 2.00
			Jun-10	2010	02	\$ 262,699.71	\$ 12,883.00	0.55%	\$ 120.40	\$ 275,703.11		\$ 2.00
			Jul-10	2010	03	\$ 275,703.11	\$ 21,158.00	0.89%	\$ 204.48	\$ 297,065.59		\$ 2.00
			Aug-10	2010	03	\$ 297,065.59	\$ 17,465.00	0.89%	\$ 220.32	\$ 314,750.91		\$ 2.00
			Sep-10	2010	03	\$ 314,750.91	\$ 20,366.00	0.89%	\$ 233.44	\$ 335,350.35		\$ 2.00
			Oct-10	2010	04	\$ 335,350.35	\$ 17,735.00	1.20%	\$ 335.35	\$ 353,420.70		\$ 2.00
			Nov-10	2010	04	\$ 353,420.70	\$ 18,676.00	1.20%	\$ 353.42	\$ 372,450.12		\$ 2.00
			Dec-10	2010	04	\$ 372,450.12	\$ 17,508.00	1.20%	\$ 372.45	\$ 390,330.57	\$ 174,162.78	\$ 2.00
			Jan-11	2011	01	\$ 390,330.57	\$ 18,812.27	1.47%	\$ 478.15	\$ 409,620.99		\$ 2.00
			Feb-11	2011	01	\$ 409,620.99	\$ 19,439.17	1.47%	\$ 501.79	\$ 429,561.95		\$ 2.00
			Mar-11	2011	01	\$ 429,561.95	\$ 18,794.02	1.47%	\$ 526.21	\$ 448,882.18		\$ 2.00
			Apr-11	2011	02	\$ 448,882.18	\$ 19,400.68	1.47%	\$ 549.88	\$ 468,832.74		\$ 2.00
			May-11	2011	02	\$ 468,832.74	\$ 18,514.69	1.47%	\$ 574.32	\$ 487,921.75		\$ 2.50
			Jun-11	2011	02	\$ 487,921.75	\$ 21,461.51	1.47%	\$ 597.70	\$ 509,980.96		\$ 2.50
			Jul-11	2011	03	\$ 509,980.96	\$ 23,291.03	1.47%	\$ 624.73	\$ 533,896.72		\$ 2.50
			Aug-11	2011	03	\$ 533,896.72	\$ 24,101.24	1.47%	\$ 654.02	\$ 558,651.98		\$ 2.50
			Sep-11	2011	03	\$ 558,651.98	\$ 24,101.24	1.47%	\$ 684.35	\$ 583,437.57		\$ 2.50
			Oct-11	2011	04	\$ 583,437.57	\$ 21,461.51	1.47%	\$ 714.71	\$ 605,613.79		\$ 2.50
			Nov-11	2011	04	\$ 605,613.79	\$ 20,000.00	1.47%	\$ 741.88	\$ 626,355.67		\$ 2.50
			Dec-11	2011	04	\$ 626,355.67	\$ 20,000.00	1.47%	\$ 767.29	\$ 647,122.96	\$ 256,792.39	\$ 2.50
			Jan-12	2012	01	\$ 647,122.96	\$ 20,000.00	1.47%	\$ 792.73	\$ 667,915.69		\$ 2.50
			Feb-12	2012	01	\$ 667,915.69	\$ 20,000.00	1.47%	\$ 818.20	\$ 688,733.89		\$ 2.50
			Mar-12	2012	01	\$ 688,733.89	\$ 20,000.00	1.47%	\$ 843.70	\$ 709,577.59		\$ 2.50
			Apr-12	2012	02	\$ 709,577.59	\$ 20,000.00	1.47%	\$ 869.23	\$ 730,446.82		\$ 2.50
			May-12	2012	02	\$ 730,446.82		1.47%	\$ 894.80	\$ 731,341.62		
			Jun-12	2012	02	\$ 731,341.62		1.47%	\$ 895.89	\$ 732,237.51		
			Jul-12	2012	03	\$ 732,237.51		1.47%	\$ 896.99	\$ 733,134.50		
			Aug-12	2012	03	\$ 733,134.50		1.47%	\$ 898.09	\$ 734,032.59		
			Sep-12	2012	03	\$ 734,032.59		1.47%	\$ 899.19	\$ 734,931.78		
			Oct-12	2012	04	\$ 734,931.78		1.47%	\$ 900.29	\$ 735,832.07		
			Nov-12	2012	04	\$ 735,832.07		1.47%	\$ 901.39	\$ 736,733.46		
			Dec-12	2012	04	\$ 736,733.46		1.47%	\$ 902.50	\$ 737,635.96	\$ 90,513.00	
Total Funding Adder Revenues Collected						\$ 711,601.36	\$ 26,034.60	\$ 737,635.96	\$ 737,635.96			

Check if applicable

Smart Meter Funding Adder (SMFA)

Smart Meter Disposition Rider (SMDR)

Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMDR is calculated based on costs to December 31, 2011

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

	2006	2007	2008	2009	2010	2011	2012 and later	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ -	\$ 1,147.24	\$ 117,274.29	\$ 274,832.34	\$ 350,279.57	\$ 278,712.28	\$ 1,022,245.71
SMFA Revenues and carrying charges (from Sheet 8)	\$ 16,231.29	\$ 33,202.44	\$ 52,116.45	\$ 114,617.61	\$ 174,162.78	\$ 256,792.39	\$ 90,513.00	\$ 737,635.96
Net Deferred Revenue Requirement	-\$ 16,231.29	-\$ 33,202.44	-\$ 50,969.21	\$ 2,656.68	\$ 100,669.56	\$ 93,487.18	\$ 188,199.28	\$ 284,609.75
Number of Metered Customers (average for 2012 test year)	→						9833	

Calculation of Smart Meter Disposition Rider (per metered customer per month)

Years for collection or refunding	1	
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011	\$ 743,533.43	
SMFA Revenues collected from 2006 to 2012 test year (inclusive)	\$ 737,635.96	
Net Deferred Revenue Requirement	\$ 5,897.47	
SMDR	May 1, 2012 to April 30, 2013	\$ 0.05
Check: Forecasted SMDR Revenues		\$ 5,899.80

} Match

1
2

3

1

Appendix D

Account Descriptions	Account Number	2005									
		Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments ⁶	Board-Approved Disposition during 2005	Adjustments during 2005 - other ⁷	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other ⁷	Closing Interest Amounts as of Dec-31-05
Group 1 Accounts											
LV Variance Account	1550					\$ -					\$ -
RSVA - Wholesale Market Service Charge	1580					\$ -					\$ -
RSVA - Retail Transmission Network Charge	1584					\$ -					\$ -
RSVA - Retail Transmission Connection Charge	1586					\$ -					\$ -
RSVA - Power (excluding Global Adjustment)	1588					\$ -					\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588					\$ -					\$ -
Recovery of Regulatory Asset Balances	1590					\$ -					\$ -
Disposition and Recovery of Regulatory Balances (2008) ¹⁰	1595					\$ -					\$ -
Disposition and Recovery of Regulatory Balances (2009) ¹⁰	1595					\$ -					\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -	\$ 37,527		\$ -	\$ 37,527	\$ 1,783	\$ -			\$ 1,783
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -	\$ 50,522		\$ -	\$ 50,522	\$ 859	\$ -			\$ 859
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Retail Cost Variance Account - Retail	1518	\$ 39,165	\$ 10,783		\$ -	\$ 49,948	\$ -	\$ -			\$ -
Misc. Deferred Debits	1525	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Renewable Generation Connection Capital Deferral Account	1531										\$ -
Renewable Generation Connection OM&A Deferral Account	1532										\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533										\$ -
Smart Grid Capital Deferral Account	1534										\$ -
Smart Grid OM&A Deferral Account	1535										\$ -
Smart Grid Funding Adder Deferral Account	1536										\$ -
Retail Cost Variance Account - STR	1548	\$ 4,357	\$ 7,595		\$ -	\$ 11,952	\$ -	\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Smart Meter OM&A Variance	1556	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ 64,068	\$ -		\$ -	\$ 64,068	\$ -	\$ -			\$ -
CDM Contra	1566	\$ 64,068	\$ -		\$ -	\$ 64,068	\$ -	\$ -			\$ -
Qualifying Transition Costs ⁹	1570	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Pre-market Opening Energy Variance ⁹	1571	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Extra-Ordinary Event Costs	1572	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -			\$ -
RSVA - One-time	1582	\$ 12,399	\$ 15,222		\$ 66,214	\$ 93,835	\$ 7,538	\$ 6,033			\$ 13,571
Other Deferred Credits	2425										\$ -
Group 2 Sub-Total		\$ 55,921	\$ 121,649	\$ -	\$ 66,214	\$ 243,784	\$ 10,180	\$ 6,033	\$ -	\$ -	\$ 16,213
Deferred Payments in Lieu of Taxes	1562	\$ 27,121	\$ 188,238		\$ -	\$ 215,358	\$ 35,267	\$ 8,653			\$ 26,614
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										\$ -
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$ 55,921	\$ 121,649	\$ -	\$ 66,214	\$ 243,784	\$ 10,180	\$ 6,033	\$ -	\$ -	\$ 16,213
Special Purpose Charge Assessment Variance Account											
Special Purpose Charge Assessment Variance Account	1521										
Total including Account 1521 ¹		\$ 55,921	\$ 121,649	\$ -	\$ 66,214	\$ 243,784	\$ 10,180	\$ 6,033	\$ -	\$ -	\$ 16,213
The following is not included in the total claim but are included on a memo basis:											
Deferred PILs Contra Account ⁸	1563	\$ 27,121	\$ 188,238		\$ -	\$ 215,358	\$ 35,267	\$ 8,653			\$ 26,614
Board-Approved CDM Variance Account	1567										\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592										\$ -
Disposition and Recovery of Regulatory Balances ¹⁰	1595										\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 and 29.

Closed April 30, 2002.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

Please describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 11 on the December 31, 2010 balance. The projected interest is recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision.

Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has been completed, and the audited financial statements

support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the balances in Account 1595 on a memo basis only (line 82).

2
3

LAKEFRONT UTILITIES INC.

EB-2011-0250

EXHIBIT 9

Page 65 of 67

2010												
Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments ⁶	Board-Approved Disposition during 2010	Other ³ Adjustments during Q1 2010	Other ³ Adjustments during Q2 2010	Other ³ Adjustments during Q3 2010	Other ³ Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other ⁷	Closing Interest Amounts as of Dec-31-10
\$ -	\$ 92,482	\$ 274,919	\$ 138,860			\$ 4,539	\$ 233,080	\$ -	\$ 891	\$ 18,082	\$ 17,350	\$ 1,623
\$ -	\$ 243,333	\$ 655,081	\$ 707,732			\$ 26,830	\$ 323,165	\$ -	\$ 3,172	\$ 22,154	\$ 21,187	\$ 2,205
\$ -	\$ 77,520	\$ 17,994	\$ 27,536			\$ 39,253	\$ 28,725	\$ -	\$ 34	\$ 30,235	\$ 30,272	\$ 3
\$ -	\$ 51,865	\$ 6,252	\$ 7,827			\$ 24,385	\$ 41,559	\$ -	\$ 283	\$ 26,258	\$ 26,253	\$ 288
\$ -	\$ 449,908	\$ 826,340	\$ 1,312,412			\$ 844,538	\$ 91,442	\$ -	\$ 10,724	\$ 251	\$ 35,712	\$ 46,185
\$ -	\$ 149,055	\$ 118,023	\$ 165,711			\$ 41,219	\$ 60,148	\$ -	\$ 4,732	\$ 26,846	\$ 27,904	\$ 3,674
\$ -	\$ 9,899	\$ 40,635	\$ 15,817				\$ 14,919	\$ -	\$ 44		\$ 14,875	\$ 14,919
\$ -	\$ 857	\$ 31,715	\$ 3,879				\$ 3,552	\$ -	\$ 253		\$ 3,299	\$ 3,552
\$ -	\$ 224,685						\$ 224,685	\$ -	\$ 599			\$ 599
\$ -	\$ 139,304	\$ 467,605	\$ 869,846	\$ -	\$ 351	\$ 930,571	\$ 667,985	\$ -	\$ 1,856	\$ 33,468	\$ 8,322	\$ 27,002
\$ -	\$ 9,751	\$ 349,582	\$ 704,135	\$ -	\$ 351	\$ 971,790	\$ 607,837	\$ -	\$ 6,588	\$ 60,314	\$ 36,226	\$ 30,676
\$ -	\$ 149,055	\$ 118,023	\$ 165,711	\$ -	\$ -	\$ 41,219	\$ 60,148	\$ -	\$ 4,732	\$ 26,846	\$ 27,904	\$ 3,674
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ -			\$ 0
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ -			\$ 0
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ 5,937	\$ 3,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,158	\$ 4	\$ 79			\$ 83
\$ 41,602	\$ 1,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,281	\$ 677	\$ 340			\$ 1,017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,872	\$ 36,872	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ 34,826	\$ 1,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,223	\$ 3,833	\$ 352			\$ 4,185
\$ 1,273,420	\$ 440,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,714,130	\$ 1,109	\$ 8,912			\$ 10,020
\$ 239,698	\$ 179,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 419,071	\$ 3,637	\$ -			\$ 3,637
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ 21,112	\$ 54,387	\$ -	\$ 801	\$ -	\$ -	\$ -	\$ 76,300	\$ 12	\$ 413			\$ 425
\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -			\$ -
\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ 30,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,359	\$ 12,488	\$ 121			\$ 12,367
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
\$ 1,167,558	\$ 322,020	\$ -	\$ 801	\$ -	\$ -	\$ 36,872	\$ 1,527,251	\$ 10,491	\$ 10,217	\$ -	\$ -	\$ 274
\$ 234,386							\$ 234,386	\$ 9,404	\$ 1,869			\$ 11,273
\$ -							\$ -	\$ -				\$ -
\$ -						\$ 31,574	\$ 31,574	\$ -				\$ -
\$ 1,167,558	\$ 182,716	\$ 467,605	\$ 870,647	\$ -	\$ 351	\$ 893,699	\$ 859,266	\$ 10,491	\$ 12,073	\$ 33,468	\$ 8,322	\$ 26,728
\$ -							\$ -	\$ -				\$ -
\$ 1,167,558	\$ 182,716	\$ 467,605	\$ 870,647	\$ -	\$ 351	\$ 893,699	\$ 859,266	\$ 10,491	\$ 12,073	\$ 33,468	\$ 8,322	\$ 26,728
\$ 234,386							\$ 234,386	\$ 9,404	\$ 1,869			\$ 11,273
\$ -							\$ -	\$ -				\$ -
\$ -						\$ 31,574	\$ 31,574	\$ -				\$ -
\$ -							\$ -	\$ -				\$ -

1
2
3
4
5

Accounts that produced a variance on the 2012 continuity schedule are listed below.

Account Descriptions	Account Number	Variance RRR vs. 2010 Balance (Principal + Interest)	Explanation
Group 1 Accounts			
RSVA - Wholesale Market Service Charge	1580	\$ 2.00	immaterial, rounding
RSVA - Retail Transmission Connection Charge	1586	\$ 310.00	immaterial, rounding
RSVA - Power (excluding Global Adjustment)	1588	\$ 3.00	immaterial, rounding
Disposition and Recovery of Regulatory Balances (2009) ¹⁰	1595	\$ (263.00)	immaterial, rounding
Group 2 Accounts			
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ (0.06)	immaterial, rounding
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 0.16	immaterial, rounding
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ (0.52)	immaterial, rounding
Retail Cost Variance Account - Retail	1518	\$ (0.12)	immaterial, rounding
Retail Cost Variance Account - STR	1548	\$ (0.96)	immaterial, rounding
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ (435,077.85)	This account varies from the RRR reporting data, and year end trial balance, in the amount of only \$-12370. This account is offset by 422709 debit . The reason for the variance is due to a change in the unbilled portion of the account at year end, that
Smart Meter OM&A Variance	1556	\$ (3.07)	immaterial, rounding
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ (0.04)	immaterial, rounding
CDM Contra	1566	\$ 0.08	immaterial, rounding
RSVA - One-time Wholesale Market Service	1582	\$ (1.15)	immaterial, rounding
Disposition and Recovery of Regulatory Balances ¹⁰	1595	\$ 31,574.44	This includes the 1592 balance. This amount was not entered in the 2.1.7 Filing at year end, and therefore it appears as a variance.