

Direct Dial: (416) 216-2989  
Direct Fax: (416) 216-3930  
pmoran@ogilvyrenault.com

Toronto, November 7, 2005

**BY EMAIL**

Ontario Energy Board  
2300 Yonge Street  
26<sup>th</sup> Floor  
P.O. Box 2319  
Toronto, Ontario  
M4P 1E4

Attn: Mr. John Zych  
Board Secretary

Dear Mr. Zych:

**RE: 2006 Distribution Rates - Generic Proceeding**

The Electricity Distributors Association (the "EDA") has received a copy of the Board's Procedural No. 1, relating to the 2006 rates process. The EDA requests the opportunity to intervene in the generic hearing process. As the Board knows, the EDA is interested in all matters involving distributors. Although the EDA does not typically intervene in individual applications by distributors, the Board has proposed a process to deal with a number of generic policy matters, including smart meter implementation, an issue on which the EDA has been active on behalf of its members.

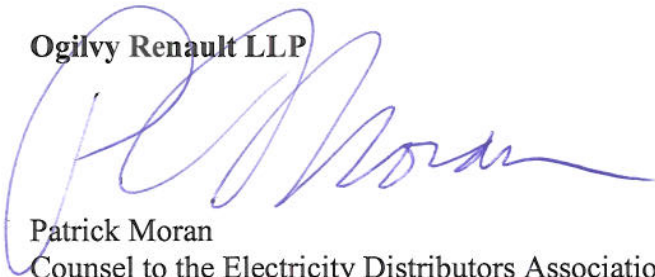
The EDA supports the smart meter program. There will be many challenges faced by distributors during implementation of the smart meter program. It is clear that there are uncertainties regarding the cost of implementation, which raises specific issues in the context of rates. This is a program that is being led by the government and which will be mandatory for distributors. In its Smart Meter Implementation Report, the Board identified some of the cost uncertainties. The EDA believes that it is important for the Board to canvas mechanisms to address cost uncertainty and to ensure that there are no financial barriers or disincentives getting in the way of effective implementation. Therefore, the EDA asks that issue 1.2 on the Board's

proposed issues list be expanded to include consideration of how variances from the amount included in rates should be treated, as follows:

1.2 If so, should utilities recover a standard amount in rates (e.g. cost per customer) or should each utility propose a smart meter budget for inclusion in rates? If so, how should variances be treated?

Yours very truly,

**Ogilvy Renault LLP**



Patrick Moran  
Counsel to the Electricity Distributors Association

c.c. Debora Steggles  
Bryan Boyce