



EB-2007-0063

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

AND IN THE MATTER OF applications by electricity distribution companies for approval of a smart meter rate adder;

AND IN THE MATTER OF a combined proceeding initiated by the Ontario Energy Board pursuant to sections 19(4), 21(1), 21(5) and 78(3.03) of the *Ontario Energy Board Act, 1998* to determine issues related to the recovery of costs incurred by distributors and associated with authorized discretionary metering activities.

NOTICE OF COMBINED PROCEEDING

As part of the broader 2007 electricity distribution rate applications filed with the Ontario Energy Board (the "Board") in early 2007, the Board received applications for approval of a smart metering rate adder from twelve distributors who are authorized by regulation to conduct smart metering activities. Public notice of a combined proceeding and hearing related to cost recovery for smart meters was given through newspaper publication in the service areas of each of these twelve applicants. In the Decision and Order issued in response to the broader rate applications for each of these distributors, the Board provided that it would be holding a combined proceeding to consider, among other things, appropriate recovery of smart meter costs. In addition to the twelve distributors referred to above, a thirteenth distributor, Newmarket Hydro, by regulation, has been authorized to conduct discretionary metering activities. Pursuant to section 21(5) of the Ontario Energy Board Act, 1998 and as set out in the Board's Addendum for Smart Metering Rates issued January 29, 2007, Newmarket Hydro is required to

participate in the Combined Proceeding. A list of the thirteen distributors who are authorized by regulation to conduct smart metering activities and for which the Board will therefore consider issues relating to cost recovery for these activities is provided at Appendix A to this Notice.

Pursuant to section 21(1) of the *Ontario Energy Board Act, 1998*, the Board has combined the determination of cost recovery for smart metering activities for all thirteen distributors listed in Appendix A into one proceeding (the “Combined Proceeding”), because the majority of the issues to be considered in making a determination are common to all thirteen distributors. The purpose of the combined proceeding is to determine certain general principles related to the prudence and recovery of costs associated with smart metering activities for the thirteen distributors listed in Appendix A. The Board has given the Combined Proceeding File No. EB-2007-0063. The Combined Proceeding is commenced pursuant to sections 19(4), 21(1), 21(5) and 78 (3.03) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) (the “Act”). This Notice contains important information about participation in the Combined Proceeding.

A broad statement of the issues to be considered in the combined proceeding includes:

- the recovery of costs for the Advanced Metering Infrastructure (the “AMI”) System, including costs for the minimum specification and costs for functionality that exceeds the minimum;
- the possible recovery of other distributor costs, including changes to customer information and billing systems due in whole or in part to the smart metering initiative;
- the establishment of mechanisms to minimize uncertainty of recovery of costs prior to rebasing of electricity distribution rates, including the disposition of the previously authorized variance accounts; and
- a consideration of changes to regulatory accounting, including the treatment of undepreciated capital cost of stranded assets.

Other issues may be considered by the Board as part of the Combined Proceeding. An issues list will be provided in a future procedural order.

How to See Applications of Twelve Applicants

Copies of the applications of the twelve distributors are available for inspection at the Board's offices in Toronto and on its website. A copy of each distributor's application can also be viewed at the distributor's offices and on its website, if available.

How to Participate in the Smart Meter Combined Proceeding

You may participate in this proceeding in one of three ways:

1. You may send the Board a letter of comment. Your letter should include any request to make an oral presentation to the Board, and must be received by the Board no later than **30 days** from the publication date of this notice or, if you have been served this Notice directly, no later than 30 days from the date of service.
2. You may request observer status in order to receive documents issued by the Board in the proceeding. Your request must be made by letter received by the Board no later than **5 days** from the publication date of this notice or, if you have been served this Notice directly, no later than 5 days from the date of service.
3. You may request intervenor status if you wish to actively participate in the proceeding. Your request must be made by letter of intervention received by the Board no later than **5 days** from the publication date of this notice, or, if you have been served this Notice directly, no later than 5 days from the date of service. Your letter of intervention must include a description of how you are, or may be, affected by the proceeding; and if you represent a group, a description of the group and its membership. The Board will hold an oral hearing. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the distributors listed in Appendix A and the grounds for your

eligibility for costs. You must provide a copy of your letter of intervention to each of the distributors listed in Appendix A.

How to Make Filings to the Board

All filings to the Board must quote file no. EB-2007-0063, and clearly state the sender's name, postal address and telephone number and, when available a fax number and e-mail address. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:30 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT NOTIFY THE BOARD OF YOUR INTENTION TO PARTICIPATE IN THE COMBINED PROCEEDING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITH THE SMART METER COMBINED PROCEEDING WITHOUT YOUR PARTICIPATION AND MAKE ORDERS WITH RESPECT TO THE RECOVERY OF SMART METER COSTS AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THE COMBINED PROCEEDING.

IF YOU HAVE ALREADY NOTIFIED THE BOARD OF YOUR INTENTION TO PARTICIPATE IN THE SMART METER COMBINED PROCEEDING IN ACCORDANCE WITH THE NOTICE OF COMBINED PROCEEDING AND HEARING RELATING TO SMART METERS PUBLISHED BY A DISTRIBUTOR LISTED IN APPENDIX A, YOU DO NOT NEED TO FURTHER NOTIFY THE BOARD.

Addresses

The Board:

Post:
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4
Attention: Board Secretary

Tel: 1-877-632-2727 ((toll free)
Fax: 416-440-7656
E-mail: Boardsec@oeb.gov.on.ca

Named Distributors:

Chatham-Kent Hydro Inc.
320 Queen Street
P.O. Box 70
Chatham, ON N7M 5K2
Attn: David Kenney, President
Tel: 519-352-6300
Fax: 519-352-9860
E-mail: davekenney@ckhydro.com

Enersource Hydro Mississauga Inc.
3240 Mavis Road
Mississauga, ON L5C 3K1
Attn: Kathi Litt, Rates & Regulatory
Tel: 905-283-4247
Fax: (905)566-2737
E-mail: klitt@enersource.com

Horizon Utilities Corporation
55 John Street North
P.O. Box 2249, Station LCD 1
Hamilton ON L8N 3E4
Attn: Cameron McKenzie, Director
Regulatory Affairs
Tel: 905-317-4785
Fax: 905-552-6570
E-mail: chmckenzie@hamiltonhydro.com

Hydro One Brampton Networks Inc.
175 Sandalwood Pkwy West
Brampton, ON L7A 1E8
Attn: Scott Miller
Regulatory Affairs Manage
Tel: 905-840-6300
Fax: 905-840-0967
E-mail: smiller@hydroonebrampton.com

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Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto, ON M5G 2P5
Attn: Glen MacDonald
Senior Advisor – Regulatory Affairs
Tel: 416-345-5913
Fax: 416-345-5866
E-mail: glen.e.macdonald@HydroOne.com

Hydro Ottawa Limited
3025 Albion Road N., P.O. Box 8700
Ottawa, ON K1G 3S4
Attn: Paul Hughes, Corporate Secretary
and General Counsel
Tel: 613-738-5499
Fax: 613-738-5486
E-mail: paulhughes@hydroottawa.com

Middlesex Power Distribution Corporation
351 Frances Street
Strathroy, ON N7G 2L7
Attn: Dave Kenney, President
Tel: 519-352-6300
Fax: 519-351-4059
E-mail: davekenney@ckhydro.com

Milton Hydro Distribution Inc.
55 Thompson Road South
P.O. Box 189
Milton, ON L9T 6P7
Attn: Don Thorne, President & CEO
Tel: 905-876-4611
Fax: 905-876-2044
E-mail: donthorne@miltonhydro.com

Newmarket Hydro Ltd.
590 Steven Court
Newmarket, ON L3Y 6Z2
Attn: Gaye-Donna Young
Chief Operating Officer
Tel: 905-953-8548
Fax: 905-895-8931
E-mail: nmhydro@nmhydro.on.ca

PowerStream Inc.
2800 Rutherford Road
Vaughan, ON L4K 2N9
Attn: Paula Conboy, Director of
Regulatory & Government Affairs
Tel: 905-417-6900
Fax: 905-303-2006
E-mail: paula.conboy@powerstream.ca

Tay Hydro Electric Distribution Company
Inc.
489 Finlayson Street, P.O. Box 160
Port McNicoll, ON L0K 1R0
Attn: James Crawford, President
Tel: 705-534-7281
Fax: 705-534-4470
E-mail: jim@tayhydro.com

Toronto Hydro-Electric System Limited
Regulatory Services, 6th Floor
14 Carlton Street
Toronto, ON M5B 1K5
Attn: Colin McLorg, Manager
Regulatory Affairs
Tel: 416-542-2513
Fax: 416-542-2776
E-mail:
regulatoryaffairs@torontohydro.com

Veridian Connections Inc.
55 Taunton Road East
Ajax, ON L1T 3V3
Attn: George Armstrong, Manager of
Regulatory Affairs & Key Projects
Tel: 905-427-9870
Fax: 905-619-0210
E-mail: garmstrong@veridian.on.ca

DATED at Toronto, May 2, 2007

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX "A"

NOTICE OF COMBINED PROCEEDING

BOARD FILE NO. EB-2007-0063

DATED May 2, 2007

List of Distributors

Appendix A

Distributors

Chatham-Kent Hydro Inc.
Enersource Hydro Mississauga Inc.
Horizon Utilities Corporation
Hydro One Brampton Networks Inc.
Hydro One Networks Inc.
Hydro Ottawa Limited
Middlesex Power Distribution Corporation
Milton Hydro Distribution Inc.
Newmarket Hydro Ltd.
PowerStream Inc.
Tay Hydro Electric Distribution Co Inc.
Toronto Hydro-Electric System Limited
Veridian Connections