

**Minister of Energy**

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**Ministre de l'Énergie**

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July 24, 2003

Mr. Howard Wetston  
Chair  
Ontario Energy Board  
Suite 2601, 2300 Yonge Street  
P.O. Box 2319  
Toronto, Ontario  
M4P 1E4

**RECEIVED**

**JUL 28 2003**

**CHAIR  
ONTARIO ENERGY BOARD**

Dear Mr. ~~Wetston~~ *Howard* -

A small number of local distributors, who are metered market participants, have recently brought to my attention concerns with the continued need to pay for meter services from Hydro One Networks, and the requirement to purchase the service on a going forward basis from a provider other than Hydro One. In recognition of the provision of meter services as a competitive business, I believe their concerns warrant the Board's review.

As you know, section 35 of the *Ontario Energy Board Act, 1998* permits the Minister to require the Board to examine, report and advise on any question respecting energy. I am, therefore, requesting the Board to invite Hydro One Networks to submit, for the Board's review, a proposal for rebating existing, and new, metered market participants when they make alternative arrangements for the provision of these services. I believe this rebate should be based exclusively on the metering costs included in Hydro One Networks' currently approved revenue requirement for its transmission business. In completing this examination, I would also like you to consider and advise on the treatment of any duplicate payments that have been made since market opening to procure such services.

These same distributors have also expressed an interest in assuming ownership of the metering installations from which they are served. However, they are concerned with the level of the exit fee identified by Hydro One Networks, the current owner of most wholesale meters in the province. Hydro One has indicated that the exit fee is set to avoid the stranding of its assets and to cover removal costs. In its review, I am also requesting the Board to specifically examine and advise on the stranded asset calculation to be used by Hydro One in deriving an appropriate exit fee to charge when transferring ownership of these assets to other metered market participants.

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I expect the Board to advise me expeditiously on these two issues and I look forward to your findings.

Sincerely,

A handwritten signature in black ink, appearing to read "John Baird".

John Baird, MPP  
Minister

- c: Mr. Ron Charie, President & CEO, Kitchener-Wilmot Hydro
- Mr. Jeffrey Pettit, President, Erie Thames Powerlines Corporation
- Mr. Steven T. Lund, General Manager, Tillsonburg Hydro Inc.
- Mr. Brian Gabel, Chief Regulatory Officer, Hydro One Networks Inc.