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**VIA E-MAIL AND WEB POSTING**

January 29, 2007

**To:** All Participants in Proceedings EB-2006-0087, EB-2006-0088 and EB-2006-0089  
All Licensed Electricity Distributors

**Re: Cost of Capital (EB-2006-0088) and 2<sup>nd</sup> Generation Incentive Regulation Mechanism (EB-2006-0089)  
Issuance of Addendum for Smart Metering Rates**

Today, the Board issued an Addendum to its Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors (the CoC/IR Report).

The CoC/IR Report noted that the Board would advise parties of the approval process related to additional smart meter funding. This Addendum provides direction for distributors' recovery of costs associated with smart metering investments in electricity distribution rates (EDR) and on filing requirements for 2007 EDR smart metering rate adders. A filing must be received no later than February 9, 2007. A filing model is available on the Board's website to assist in preparation of your application.

Questions regarding this Addendum for Smart Metering Rates should be directed to the Board's Market Operations hotline at 416-440-7604 or by e-mail at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca).

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments: Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors and Associated Guidelines  
Addendum for Smart Metering Rates