



1 Greendale Drive, Caledonia, ON, N3W 2J3 Tel: (905) 765-5344 Fax: (905) 765-5316

February 6, 2007

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

VIA E-MAIL

Attention: Kirsten Walli
Board Secretary

**Re: Haldimand County Hydro Inc. (Licence # ED-2002-0539)
2007 Electricity Distribution Rate (“EDR”) Application (EB-2007-0535)
“2007 Smart Meter Rate Adder”**

Dear Ms. Walli:

This letter is provided in accordance with direction received from Lenore Dougan, Rates Analyst, Market Operations, in conjunction with the Board’s “Report of the Board on 2nd Generation Incentive Regulation for Ontario’s Electricity Distributors – Addendum for Smart Metering Rates”, issued January 29, 2007.

Haldimand County Hydro Inc., through its Smart Meter Investment Plan (EB-2006-0246) filed with the Board on December 15, 2006, reported that it is not actively installing smart meters in the 2007 calendar year, and as such, has now been identified as an “Inactive Distributor” in Appendix C which accompanies this Addendum.

Accordingly, Haldimand County Hydro Inc. wishes to apply for the continuation of the 2006 Smart Meter Rate Adder for the rate year commencing May 1, 2007, as incorporated in the 2007 Incentive Rate Adjustment Mechanism (“IRM”) Model, filed with the Board on January 26, 2007.

Page 2 of 2
Ontario Energy Board
February 6, 2007

Consistent with the Board's 2006 Generic Decision (EB-2005-0529), this currently applied-for smart meter rate adder reflects \$0.30 per residential customer per month for 2007 – to be allocated to all metered customers at \$0.26 per month – and recovered through the monthly service charges.

Should you have any questions or require anything further in this regard, please do not hesitate to contact us.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original Signed by J. A. Scott

Jacqueline A. Scott
Finance Manager