

Niagara-on-the-Lake Hydro Inc.

February 1, 2007

Ms. Kirsten Walli Board Secretary Ontario Energy Board P.O. Box 2319 26th Floor 2300 Yonge Street Toronto ON M4P 1E4

> Niagara-on-the-Lake Hydro Inc. 2007 Rate Application OEB Case EB-2007-0559

2007 Smart Metering Rates as an Addendum to the Report of the Board on 2nd Generation Incentive Regulation Mechanism – January 29, 2007

Dear Ms. Walli

Further to the above addendum, Niagara-on-the-Lake Hydro Inc., currently listed as an "inactive" LDC, hereby applies for the continuation of the 2006 smart meter rate adder for 2007 as incorporated in the 2007 IRM model. Our model was submitted to the OEB on January 18, 2007.

We would be pleased to provide any further information or details that you may require for this application.

Yours truly

J. Shontingdon

Jim Huntingdon, President