

FEB 2 2007

January 31, 2007

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Kirsten *pk*

**Re: File # EB-2007-0560**  
**Norfolk Power Distribution Inc.**  
**Application for 2007 Smart Metering Rate Adder**

Norfolk Power Distribution Inc. ("NPDI") is pleased to submit to the Ontario Energy Board ("OEB") its application for a 2007 smart metering rate adder as part of NPDI's 2007 Distribution Rate Application. This application is in accordance with the Smart Metering Rates Addendum to the Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors ("the Addendum") issued on January 29, 2007.

Smart Meter Funding is currently included in the Monthly Service Charge at a rate of \$0.26 for NPDI metered customers in accordance with the OEB's Decision RP-2005-0020/EB-2005-0529 and as approved in the OEB's Decision and Rate Order that supports NPDI's current rates. In regards to the installation of smart meters in 2007, NPDI has been classified by the OEB as an "Inactive Distributor" since NPDI does not plan to install smart meters in 2007. As stated in the Addendum, it is the OEB's view that nominal funding should continue in rates for distributors who are not actively installing meters in 2007. As a result, **NPDI is seeking approval to continue charging the \$0.26 in the Monthly Service Charge for NPDI metered customers for distribution rates effective May 1, 2007.**

Since the proposed 2007 smart metering rate adder for NPDI is the same as the adder in the current rates there are no bill impacts resulting from the requested rate adder.

Consistent with the 2007 Distribution Rate Application, eight paper copies of this letter will be courier to your office. An electronic copy of the application will be also be sent today by e-mail.

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

Yours truly,



Fred Druyf  
President & CEO  
Norfolk Power Distribution Inc.