

ORILLIA POWER DISTRIBUTION CORPORATION
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January 30, 2007

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
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Dear Kirsten:

Re: File # EB-2007-0565
Orillia Power Distribution Corporation
Application for 2007 Smart Metering Rate Adder

Orillia Power Distribution Corporation ("OPDC") is pleased to submit to the Ontario Energy Board ("OEB") its application for a 2007 smart metering rate adder as part of OPDC'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 2nd 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 \$0.27 for OPDC 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 OPDC's current rates. In regards to the installation of smart meters in 2007, OPDC has been classified by the OEB as an "Inactive Distributor" since OPDC 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, **OPDC is seeking approval to continue charging the \$0.27 in the Monthly Service Charge for OPDC metered customers for distribution rates effective May 1, 2007.**

As stated in OPDC's Application for 2007 Distribution Rates, dated January 26, 2007, the current approved Monthly Service Charge for Unmetered Scattered Load customers is \$15.38 which is exactly one half of the Monthly Service Charge for General Service Less Than 50 kW. The Monthly Service Charge for General Service Less Than 50 kW of \$30.76 includes the smart meter adder of \$0.27. In this regard, OPDC has assumed that one half of the \$0.27 is included in the Unmetered Scattered Load Monthly Service Charge and this is reflected in the model used to support OPDC's 2007 Distribution Rate Application. OPDC would appreciate direction from the OEB on whether this practise should continue or if another process should be adopted.

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"ENERGIZING OUR COMMUNITY"



Ms. Kirsten Walli
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Since the proposed 2007 smart metering rate adder for OPDC 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,



John F. Mattinson P. Eng.
President & Secretary
Orillia Power Distribution Corporation

