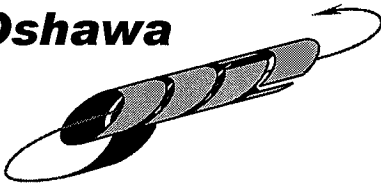


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

VIA E-MAIL

9 February 2007

Ontario Energy Board
P.O. Box 2319
26th Floor 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Oshawa PUC Networks Inc. (ED 2002-0560)
Cost of Capital (EB-2006-0088) and 2nd Generation Incentive Regulation Mechanism (EB-2006-0089)
Issuance of Addendum for Smart Metering Rates

In accordance to the requirements of the Addendum for Smart Metering Rates (Cost of Capital and 2nd Generation Incentive Regulation Mechanism), as issued on January 29, 2007, Oshawa PUC Network would like to respond as follows.

Oshawa PUC Networks Inc. does not intend to file a plan to install smart meters in 2007. Therefore, as an "inactive" LDC we elect to apply for a standard (uniform) smart metering adder (the rate presently being used as adder is thirty cents).

If you have any questions or comments as to this letter, please feel free to contact me.

Yours sincerely,

Mike Chase, MBA, CMA
Corporate Controller

cc: Jeff Rosenthal
cc: Vivian Leppard