



PUC Distribution Inc.  
765 QUEEN STREET EAST, P.O. Box 9000  
SAULT STE. MARIE, ONTARIO, P6A 6P2

RECEIVED

February 5, 2007

FEB 2007

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

ONTARIO ENERGY BOARD

Attention: Board Secretary

**Re: Cost of Capital (EB-2006-0088) and 2<sup>nd</sup> Generation Incentive Regulation  
Mechanism (EB-2006-0089)  
Issuance of Addendum for Smart Metering Rates**

On January 29, 2007 the Ontario Energy Board (the "OEB) issued a Report of the Board on 2<sup>nd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors Addendum for Smart Metering Rates. The addendum provides guidance on how to apply for a new smart meter adder in the 2007 IRM model for rates effective May 1, 2007. PUC Distribution will not be actively installing smart meters in 2007 and has been identified by the OEB as an inactive distributor. PUC Distribution requests this letter be considered application for the continuation of the 2006 smart meter rate adder for 2007 as incorporated in the 2007 IRM model that reflects \$0.30 per residential customer per month for 2007. As in the Generic Decision, this will be allocated to all metered customers and recovered through the monthly service charges.

Signed on this 5<sup>th</sup> day of February, 2007 at Sault Ste. Marie on behalf of the Board of Directors of PUC Distribution Inc. by:

Terry, Greco, CA  
Treasurer  
PUC Distribution Inc.