

WELLAND HYDRO-ELECTRIC SYSTEM CORP.

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February 5, 2007

Sent via E-mail

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

Dear Ms. Walli

Re: EB-2007-0586Welland Hydro-Electric System Corp.Application to the Ontario Energy Board for Electricity Distribution Rates and Charges effective May 1, 2007

Welland Hydro-Electric System Corp. does not have specific plans for 2007 smart meter installation and has been identified in the Ontario Energy Board's (the"Board") January 29, 2007, Addendum for Smart Meter Rates, Appendix C, as an Inactive Distributor. Welland Hydro-Electric System Corp. hereby makes an application to the Board for a standard smart metering rate adder that reflects \$.30 per residential customer per month for its 2007 electricity distribution rates.

It is Welland Hydro-Electric System Corp.'s understanding that the board will make any necessary adjustments to the previously submitted 2007 IRM files and that all approved smart meter rate adders (for designated Inactive Distributors) will be included in approved rates effective May 1, 2007.

Should you have any questions or require further information, please do not hesitate to contact me.

Yours very truly,

Wayn th

Wayne Armstrong Director of Finance Welland Hydro-Electric System Corp. Tel: 905-732-1381 Ext 234 E-mail warmstrong@wellandhydro.com