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February 7, 2007

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~~WHITBY HYDRO ELECTRIC CORPORATION~~

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

Dear Ms. Walli,

RE: Whitby Hydro Electric Corporation – Smart Metering Rates

Whitby Hydro Electric Corporation ("WHITBY HYDRO") has reviewed the Report of the Board – Addendum for Smart Metering Rates ("SMART METER ADDENDUM") issued on January 29, 2007. The Smart Meter Addendum categorized Whitby Hydro as an Active Distributor as there was some 2007 activity identified in our Smart Meter Investment Plan ("PLAN") submitted on December 15, 2006.

Upon further review of the Smart Meter Addendum, and various Smart Meter regulations, we have determined that Whitby Hydro will not be in a position to begin the purchasing and installation of Smart Meters until 2008 and currently expect to phase in the Smart Meter initiative over a three year period of time (2008-2010). This additional time is required to ensure that all Smart Metering requirements and regulations are met and the implementation schedule is synchronized with the IESO's timeline.

Application for Smart Meter Rate Adder and Change to Distributor Categorization

As a result of this review and a review of Ontario Regulation 427/06, Whitby Hydro does not believe it should be classified as an Active Distributor based on the definitions provided in the Smart Meter Addendum. As such, Whitby Hydro submits this letter as application for the standard uniform Smart Meter rate adder of \$0.30 per residential customer per month for 2007. We also respectfully request that Whitby Hydro be removed from the Active Distributor list and placed on the Inactive Distributor list.

It is our understanding that in applying for the standard uniform Smart Meter rate adder that any additional changes required to the 2007 EDR model and application will be handled by Board Staff. If there is any additional Distributor information or requirements at this time, please advise accordingly.

Combined Proceeding

Whitby Hydro identified in its Plan that all costs provided were based on high level estimates and indicated that we have not yet selected a technology, nor has pricing been obtained from prospective vendors. It is not expected that we will have additional pricing data prior to May 2007 in time for the Combined Proceeding. As such, we request that as an Inactive Distributor, we be removed from direct involvement in the Combined Proceeding unless the Board deems there to be additional benefits of participation outside of the main issue of understanding costs as they relate to implementation of the Smart Meter initiative.

Please contact me if you have any questions or require any further information at this time.

Yours truly,

A handwritten signature in blue ink, appearing to read "Ramona Abi-Rashed".

Ramona Abi-Rashed
Treasurer