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Toronto, November 7, 2005

BY EMAIL

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

Attn: Mr. John Zych
Board Secretary

Dear Mr. Zych:

RE: 2006 Distribution Rates - Generic Proceeding

The Electricity Distributors Association (the "EDA") has received a copy of the Board's Procedural No. 1, relating to the 2006 rates process. The EDA requests the opportunity to intervene in the generic hearing process. As the Board knows, the EDA is interested in all matters involving distributors. Although the EDA does not typically intervene in individual applications by distributors, the Board has proposed a process to deal with a number of generic policy matters, including smart meter implementation, an issue on which the EDA has been active on behalf of its members.

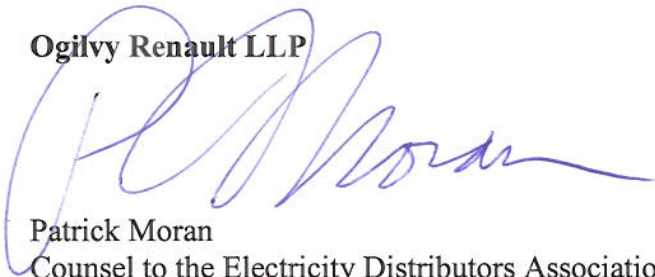
The EDA supports the smart meter program. There will be many challenges faced by distributors during implementation of the smart meter program. It is clear that there are uncertainties regarding the cost of implementation, which raises specific issues in the context of rates. This is a program that is being led by the government and which will be mandatory for distributors. In its Smart Meter Implementation Report, the Board identified some of the cost uncertainties. The EDA believes that it is important for the Board to canvas mechanisms to address cost uncertainty and to ensure that there are no financial barriers or disincentives getting in the way of effective implementation. Therefore, the EDA asks that issue 1.2 on the Board's

proposed issues list be expanded to include consideration of how variances from the amount included in rates should be treated, as follows:

1.2 If so, should utilities recover a standard amount in rates (e.g. cost per customer) or should each utility propose a smart meter budget for inclusion in rates? If so, how should variances be treated?

Yours very truly,

Ogilvy Renault LLP



Patrick Moran
Counsel to the Electricity Distributors Association

c.c. Debora Steggles
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