

Direct Dial: (416) 216-2989  
Direct Fax: (416) 216-3930  
pmoran@ogilvyrenault.com

Toronto, November 7, 2005

**BY EMAIL**

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

Attn: Mr. John Zych  
Board Secretary

Dear Mr. Zych:

**RE: 2006 Distribution Rates - Generic Proceeding**

This is the submission of Enersource Hydro Mississauga Inc. with respect to the Ontario Energy Board's proposed generic issues list.

In the Board's proposed issue 1.2, the issue is whether utilities should recover a standard amount in rates or whether each utility should propose a budget for inclusion in rates, for the purposes of recovering costs associated with smart meter implementation. Enersource submits that this issue should be expanded to include consideration of how variances are to be treated in rates. There is considerable uncertainty with respect to the cost of implementation of a program that is being mandated by the government. For example, one of the cost uncertainties relates to changes that might need to be made to existing information technology systems in order to accommodate smart meters. Another relates to the appropriate depreciation period to be applied to smart meter assets.

While Enersource is in support of the smart meter program, it is important that Enersource is able to recover the costs of implementing the program. This is an issue that will be of concern to all applicants.

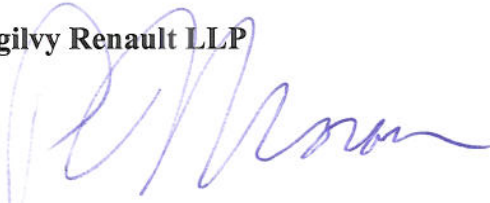
Therefore, Enersource proposes that issue 1.2 be amended to read as follows:

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?

Enersource supports the inclusion of the other issues identified by the Board.

Yours very truly,

**Ogilvy Renault LLP**



Patrick Moran  
Counsel to Enersource Hydro Mississauga Inc.