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February 6, 2007

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, On
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**Re: COST OF CAPITAL (EB-2006-0088) and 2ND GENERATION INCENTIVE REGULATION
MECHANISM (EB-2006-0089)
ISSUANCE OF ADDENDUM FOR SMART METERING RATES
EB-2007-0507 2007 INCENTIVE RATE MECHANISM ADJUSTMENT**

Barrie Hydro Distribution Inc. (licence # ED-2002-0534) applies for the continuation of the 2006 smart meter rate adder for 2007 as incorporated in the 2007 IRM model.

Barrie Hydro Distribution Inc. (licence # ED-2002-0534) has received and reviewed the Board's Addendum for Smart Metering Rates, which was issued by the Board on January 29th 2007. It is noted that in Appendix C: List of Distributors by Category of this report, Barrie Hydro Distribution Inc. is identified as an Inactive Distributor. On page 20 of the report, section 5.2.2, 2007 Smart Metering Rate Adder for Inactive Distributors, it is noted that "the Board expects that Inactive Distributors will file for a smart metering rate adder that reflects \$0.30 per residential customer per month for 2007". Barrie Hydro Distribution Inc. notes that in the 2006 EDR process that based on the \$0.30 per residential customer per month that an amount of \$0.27 per metered customer per month was included in the approved Service Charge rate for those rate classes that utilize meters. In our recently filed 2007 Incentive Rate Mechanism Adjustment (EB-2007-0507) Barrie Hydro Distribution Inc. filed in accordance with the policies set out in the Board's 2nd Generation IRM report and guidelines. These guidelines included the use of the 2007 Incentive Rate Mechanism Adjustment model; Barrie Hydro Distribution Inc. used this model. In the model, Sheet "9. Addback of Smart Meter Amt", the amount of \$0.27 has been added to the 2007 Final Monthly Service Charge. In Sheet "10. 2007 Tariff Sheet" in the Monthly Rates and Charges section the Service Charge for; Residential, General Service Less than 50 kw, General Service 50 to 4,999 kw, General Service 50



to 4,999 kw Time of Use, and Large Use includes the Smart Meter Charge of \$0.27. The rates shown in Sheet "10. 2007 Tariff Sheet" are those rates that Barrie Hydro Distribution Inc. has requested for approval in the 2007 Incentive Rate Mechanism Adjustment process.

Barrie Hydro Distribution Inc. would like to confirm that we are requesting that the Smart Meter Charge of \$0.27 as shown in Sheet "9. Addback of Smart Meter Amt" of the 2007 Incentive Rate Mechanism Adjustment model be included in our approved 2007 distribution rates as shown in Sheet "10. 2007 Tariff Sheet".

As per direction from Board Staff we are filing this letter as the official request for inclusion and approval of a smart meter rate adder in our 2007 approved distribution rates.

As per the filing guidelines in the January 17th Board document, Filing Instructions for 2007 Electricity Distribution Rate Applications and Related Third Party Filings, we will be filing three hard copies of this letter to the Board Secretary. As well we be submitting by E-mail to the Board Secretary, this letter as a PDF document, file name "Barrie_Letter_SmartMeterRateAddendum_20070206".

If any questions or concerns arise please contact our Stephen Perry at 705-722-7244 ext 278 or sperry@barriehydro.com

Yours truly,

A handwritten signature in black ink, appearing to read "M. W. Henderson", followed by a long horizontal line extending to the right.

Mark W. Henderson
President & CEO
Barrie Hydro Distribution Inc.