

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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BY PRIORITY POST

August 6 2010

Mr. Whitland S. Coward
#7 Foord Rd.
Ajax ON L1S 1K6

Dear Mr. Coward:

**Re: Application EB-2010-0209
Recovery of Smart Meter Costs – PowerStream Inc. – South Rate Zone**

This will acknowledge receipt of your letters of comment dated July 12 and July 22, 2010 commenting on PowerStream Inc.'s application for smart meter cost recovery (EB 2010-0209).

In your letter you have expressed a concern that in this particular application, “the OEB is in a Conflict of Interest and should not be allowed to proceed with this Application, if they had a say regarding the Smart Meter and refused to alert customers of this additional cost up front.”

The Board is the economic regulator of Ontario's natural gas and electricity sectors. The Board does not determine which smart meters are purchased and installed by a distributor. However, the Board does, under its legislation, The *Ontario Energy Board Act*, and O. Reg. 426/06, have the authority and responsibility to review and approve costs recoverable in rates, including costs related to assets such as smart meters which distributors use to provide service. The Board conducts such reviews and makes its decisions through transparent and public proceedings. Input and participation from affected ratepayers is invited by requiring that Notice be published, as in the current application. Prior rate applications by PowerStream, including those related to smart meter costs, have also been subject to public notice and participation.

Recovery of costs is not guaranteed; the utility must demonstrate that such costs were necessary and prudent. In making its determination, the Board is guided by its legislation and associated regulations, and must balance the financial viability of the utility, so that it makes necessary investments and operates its network to provide safe,

reliable and high quality services to customers, while ensuring that distribution and transmission rates are affordable to ratepayers.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

cc: All registered parties to EB-2010-0209