



**CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.**

1500 Bishop Street, P.O. Box 1060, Cambridge, Ontario N1R 5X6 • Telephone 519-621-3530 • Facsimile 519-621-7420  
Website [www.camhydro.com](http://www.camhydro.com)

May 1, 2012

Mary Mitchell  


Dear Ms. Mitchell:

**RE: Cambridge and North Dumfries Hydro Inc. 2012 Smart Meter Cost Recovery Application EB-2012-0086**

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We are in receipt of your letter of April 21, 2012 in which you express concern for the increase that we are proposing to our rates. Thank you very much for your letter, as it gives us the opportunity to explain our circumstances to you in a manner that the newspaper notice perhaps cannot.

It is important to note that our Smart Meter roll-out was virtually complete (over 98%) at the end of 2010 and adhered to the Provincial regulatory requirement. In addition to being on-time, it was also on-budget.

The process to establish a Smart Meter Cost Recovery is based on Ontario Energy Board (OEB) requirements. Our utility and our industry are now at the point to establish cost recoveries based on known amounts whereas, the Regulator had allowed on-going funding based on preliminary amounts. The current funding is being eliminated effective May 1, 2012. By way of the recent application, the new Smart Meter cost recovery will be established. It is important to note that the \$0.81 per month noted in your letter is included in the \$1.61 per month cost recovery application.

You are correct that beginning May 1, 2012, the OEB has announced that the prices for electricity are increasing. We will very soon implement Time of Use (TOU) Prices and the prices will apply to you as a residential customer. This is an opportunity for you and every customer to examine their electricity consumption patterns and adjust to the TOU prices.

As your community-owned local distribution company, we strive to manage our costs and thereby keep our rates as low as possible.

I would encourage you to continue your efforts to conserve energy. An analysis of your bill that was issued March 27, 2012 shows that only 21.2% was a fixed charge and the remaining balance reflected charges based on kWh consumed.

Thank you for the opportunity to explain our rate application to you. Should you have further questions, please don't hesitate to contact us directly.

Sincerely

**CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.**

A handwritten signature in black ink, appearing to read "John Grotheer".

John Grotheer  
President & CEO

c: R. Leone, MPP  
OEB

