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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

July 4, 2012

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

EB-2012-0100 – Application by the Smart Metering Entity for Approval of a Smart Metering Charge – Hydro One Networks Inc. Submission on Preliminary Issue

EB-2012-0211 – OEB Motion to Determine the Appropriate Recovery and Allocation of the Smart Metering Charge – Hydro One Networks Inc. Submission on Preliminary Issue

In response to the Board's Procedural Order 1 dated June 22, 2012, Hydro One Networks Inc. ("Hydro One") is providing the following submission on the preliminary issue in the above-mentioned proceeding.

Hydro One is of the view that the provisions set out in section 3.2 of the Smart Metering Entity Licence and in section 5.4.1 of the Distribution System Code provide the Board with full authority to establish the standard terms of all agreements to be entered into between distributors and the SME or the IESO relating to metering.

A copy of this letter has been filed in text-searchable electronic form through the Board's Regulatory Electronic Submission System, and the confirmation slip is also enclosed.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

- c. IESO (electronic only)
EB-2012-0100 & EB-2012-0211 Intervenor (electronic only)