



February 20, 2007

Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli,

**St. Thomas Energy Inc.
Affidavit for 2007 Distribution Rate Adjustments
EB-2007-0577**

Attached is an original executed Affidavit as directed by the Board regarding the Notice of Application and Written Hearing for an Electricity Distribution Rate Change and Notice of Combined Proceeding and Hearing related to Smart Meters that was published in our local newspaper the "St. Thomas Times Journal".

I would like to bring to your attention one change that was made in the publication of the notice regarding St. Thomas Energy Inc.'s (Applicant's) email address.

The original notice stated "**lindsay_hydro@lindsaycomp.on.ca**". It was correctly changed to "**contact@sttenergy.com**".

This has been sent by email and by Courier to the Board.

Respectfully submitted for the Board's consideration.

Brian Hollywood,
President and Chief Executive Officer

AFFIDAVIT

CANADA
PROVINCE OF ONTARIO

) IN THE MATTER OF
)
) Notice of Application and
) Written Hearing for an
) Electricity Distribution Rate
) Change and Notice of Combined
) Proceeding and Hearing Relating
) to Smart Meters.
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TO WIT:

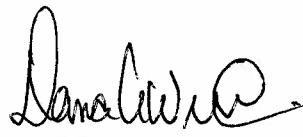
I, DANA A. WITT, of the City of St. Thomas, County of Elgin

DO SOLEMNLY SWEAR:

1. THAT I am the Manager of Finance of St. Thomas Energy Inc. and as such have knowledge of the matters hereinafter next set forth.

2. THAT I did arrange for the Notice of Application and Written Hearing for an Electricity Distribution Rate Change and Notice of Combined Proceeding and Hearing Relating to Smart Meters in the form and content set out in Exhibit "A" hereto, published in one issue of the St. Thomas Times Journal, 16 Hincks Street, St. Thomas, Ontario, on Friday, February 16, 2007. This newspaper has the highest paid circulation in the service area.

SWORN before me at the City
of St. Thomas, in the County
of Elgin this 20 day of
February, 2007.

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) _____
) DANA A. WITT
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A Commissioner, etc



EB-2007-0577

NOTICE OF APPLICATION AND WRITTEN HEARING FOR AN
ELECTRICITY DISTRIBUTION RATE CHANGE AND
NOTICE OF COMBINED PROCEEDING AND HEARING RELATING TO SMART METERS

St. Thomas Energy Inc.

St. Thomas Energy Inc. has filed an application with the Ontario Energy Board (the "Board"), received on January 25, 2007, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B). The Board has assigned the application File No. EB-2007-0577. This Notice contains important information about participation in the hearing associated with applicant's rate change application ("rate proceeding") and about participation in a combined proceeding relating to rate adjustments for smart meters ("smart meter combined proceeding").

St. Thomas Energy Inc. has applied to the Board to change its distribution rates. The application has been filed on the basis of the guidelines set out in the December 20, 2006 "Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors", available from the Board as described under "Need More Information?" below.

The standard electricity bill for residential and small general service customers has four line items: Electricity, Delivery, Regulatory and Debt Retirement Charge. The rate change application affects only the Delivery line of that bill. If approved, a typical residential customer consuming 1,000 kWh per month would experience an approximate decrease of 0.22% in the electricity bill. A small general service customer consuming 2,000 kWh per month and having a monthly demand of 50 kW or lower would experience an approximate decrease of 0.12%.

St. Thomas Energy Inc. may apply for a specific rate adjustment related to smart meters. This adjustment is referred to as a "smart meter adder", and represents temporary advance funding to facilitate the acquisition and installation of smart meters through the 2007 rate year. If a smart meter adder is applied for, the percentage decreases in the electricity bill referred to above do not include the amount of St. Thomas Energy Inc.'s smart meter adder. The prudence of the amount requested by St. Thomas Energy Inc. for its smart meter adder will not be examined as part of the rates proceeding. It will be dealt with in a separate process at a later date.

As a starting point to that future process, certain general principles will be the subject of a combined proceeding for which a hearing will be held after May 1, 2007. The combined proceeding will involve a number of electricity distributors and may include or consider St. Thomas Energy Inc.'s smart meter adder. Further information about the treatment of smart meter adders and the nature and scope of the combined proceeding may be found in the January 29, 2007 "Report of the Board on 2nd Generation Incentive Regulation for Ontario's Electricity Distributors: Addendum for Smart Metering Rates", available from the Board as described under "Need More Information?" below.

How to see St. Thomas Energy Inc.'s Pre-filed Evidence

Copies of the application are available for inspection at the Board's office in Toronto and on its website, and at the St. Thomas Energy Inc. offices and on its website, if available.

How to Participate in the Rate Proceeding

The Board intends to proceed with St. Thomas Energy Inc.'s rate change application by way of written hearing unless a party satisfies the Board that there is good reason for holding an oral hearing. If you object to a written hearing in this matter, you must provide written reasons why an oral hearing is necessary. Any objections to a written hearing must be received by the Board and copied to the applicant at the addresses below no later than 10 days from the date of publication of this Notice or, if you have been served this Notice directly, no later than 10 days from the date service. The Board will not award costs in this matter.

Proceeding by way of written hearing, the Board requests interested parties to file submissions, in writing, setting out their views on the application. You must forward three paper copies and, if possible, an electronic copy in Word format and in searchable PDF format of your submission to the Board and one copy to the applicant at the addresses below. All submissions must be received by the Board and the applicant at the addresses below no later than 21 days from the

date of publication of this Notice or, if you have been served this Notice directly, no later than 21 days from the date of service. If St. Thomas Energy Inc. wishes to respond to a submission, the response must be filed with the Board and copied to the party that made the submission no later than 7 days from the date of receipt of the submission.

How to Participate in the Smart Meter Combined Proceeding

If you wish to participate in the smart meter combined proceeding, you must separately notify the Board of your intention to do so even if you are participating in the hearing on St. Thomas Energy Inc.'s rate change application. Application for intervenor status and cost eligibility must be by letter and received by the Board no later than 10 days from the date of publication of this Notice or, if you have been served this Notice directly, no later than 10 days from the date service. If you have notified the Board of your interest in the combined proceeding, you will receive further details regarding participation in, and the timing and conduct of, the combined proceeding once these become available.

How to Make Filings to the Board

All filings to the Board must quote File No. EB-2007-0577, and clearly state the sender's name, postal address and telephone number and, when available a fax number and e-mail address. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's website at www.oeb.gov.on.ca or by calling our Consumer Relations Center at 1-887-632-2727.

IMPORTANT

RATE PROCEEDING: IF YOU DO NOT FILE AN OBJECTION TO A WRITTEN PROCEEDING OR DO NOT PARTICIPATE IN THE PROCEEDING BY FILING A SUBMISSION IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITH THE RATE PROCEEDING WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THIS PROCEEDING.

SMART METER COMBINED PROCEEDING: IF YOU DO NOT NOTIFY THE BOARD ON YOUR INTENTION TO PARTICIPATE IN THE SMART METER COMBINED PROCEEDING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITH THE SMART METER COMBINED PROCEEDING WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THIS PROCEEDING.

Addresses

The Board:

Post:
Ontario Energy Board
P.O. Box 2319
2300 Young Street, 27th Floor
Toronto, Ontario
M4P 1E4
Attention: Board Secretary
E-mail: Boardsec@oeb.gov.on.ca
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

Dated at Toronto, February 9, 2007

ONTARIO ENERGY BOARD

Original Signed by
Peter H. O'Dell
Assistant Board Secretary

The Applicant:

St. Thomas Energy Inc.
135 Edward Street
St. Thomas, Ontario
N5P 4A8

E-mail: contact@sttenergy.com

This is Exhibit "A" referred to in the
affidavit of Dana A. Witt

sworn before 20
day of February 2007

K. STARR
A COMMISSIONER FOR TAKING AFFIDAVITS