Hydro One Networks Inc.

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Susan Frank

Vice President and Chief Regulatory Officer Regulatory Affairs



BY COURIER

July 18, 2006

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

Dear Ms. Walli:

RP-2004-0205 – Regulated Price Plan – OEB Notice of Proposal to Amend SSS July 12, 2006 – Hydro One Networks Comments

Hydro One Distribution Networks, (Networks), is supportive of the proposed amendments to allow LDCs with Smart Meters to start billing customer based on time-of-use rates on a voluntary basis.

Networks currently has no intention of implementing pilot programs based on time-of-use rates. Networks already has Board approval for an Interim Time-of-Use rate program applicable to a handful of customers as part of Networks' Conservation and Demand Management initiatives. The program was approved by the Board on November 10, 2004 as part of RP-2004-0203 EB-2004-0457. Networks assumes that the proposed amendments do not affect its own interim time-of-use program.

Sincerely,

Susan Frank