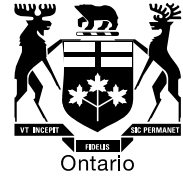


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**BY E-MAIL AND WEB POSTING ONLY**

May 4, 2007

**To: All Licensed Electricity Distributors  
All Participants in Proceedings EB-2006-0088 and EB-2006-0089  
All Other Interested Parties**

**Re: Multi-year Electricity Distribution Rate Setting Plan  
Final Selection of Electricity Distributors for Rebasing in 2008  
Board File No.: EB-2006-0330**

On March 12, 2007, the Ontario Energy Board issued a report entitled “LDC Screening Methodology to Establish a Rebasing Scheduled for Electricity LDCs” (the “Rebasing Criteria Report”) identifying the criteria that the Board intends to use in selecting electricity distributors whose rates will be rebased in 2008.

On April 4, 2007, the Board published for comment a list of 26 electricity distributors whose rates are proposed to be rebased in 2008. The reasons for selection of these distributors were identified in Appendix A to the April 4<sup>th</sup> letter.

The Board received comments from two interested parties in response to its April 4<sup>th</sup> letter: one from Great Lakes Power Limited (“GLPL”) requesting that the Board consider removing it from the list; and, one from the Vulnerable Energy Consumers Coalition (“VECC”) requesting that the Board consider removing some distributors from the list and adding others to it. These comments have been posted on the Board’s website.

Following consideration of the comments received from GLPL, the Board has decided to remove GLPL from the list. VECC has proposed that certain distributors be added to the list based on cost levels which VECC believes to be among the highest in the Province based on 2005 financial results. As noted in the Rebasing Criteria Report, the criteria for selection included not only cost levels, but also other factors such as the liquidity and earnings of the distributors in question, financial and cost trends in recent years, and certain non-financial factors. Based on a consideration of all of these factors, the Board remains of the view that none of the distributors identified by VECC need to be scheduled for rebasing in 2008. VECC has also questioned the strength of the justification for self-nomination submitted by five distributors. As indicated in Appendix A to its April 4<sup>th</sup> letter, the decision to include three of these distributors on the list was not based solely on the fact of self-nomination. With respect to the other two, the Board does not believe that there are compelling reasons for not allowing these distributors to be rebased in 2008 in accordance with their expressed preference. The Board has therefore decided that no changes need to be made to the list other than the removal of GLPL.

The final list of 25 distributors whose rates will be rebased in 2008 is set out in Appendix A to this letter. All distributors named in Appendix A are requested to file a letter with the Board confirming that they will file a forward test year rate application by August 15, 2007 for rates to become effective May 1, 2008. The letter should be filed by May 16, 2007.

Yours truly,

*Original Signed By*

Peter H. O'Dell  
Assistant Board Secretary

**Selection of Electricity Distributors for Rebasing in 2008  
Board File No. - EB-2006-0330**

**APPENDIX A**

**Distributor**

Atikokan Hydro Inc  
Barrie Hydro Distribution Inc  
Brant County Power Inc  
Brantford Power Inc  
Chapleau Public Utilities Corp  
Dutton Hydro Limited  
Enersource Hydro Mississauga Inc  
Erie Thames Powerlines Corp  
Espanola Regional Hydro Inc  
Guelph Hydro Electric Systems Inc  
Halton Hills Hydro Inc  
Horizon Utilities Corporation  
Hydro 2000 Inc  
Hydro One Networks Inc  
Hydro Ottawa Limited  
Lakefront Utilities Inc  
Newmarket Hydro Ltd  
Norfolk Power Distribution Inc  
North Bay Hydro Distribution Limited  
Oshawa PUC Networks Inc  
PUC Distribution Inc  
Rideau St. Lawrence Distribution Inc  
Sioux Lookout Hydro Inc  
Toronto Hydro-Electric System Limited  
Wellington North Power Inc

Attachment to letter of May 4, 2007