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February 16, 2007

VIA FAX - 416-440-7656

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

Dear Ms. Walli:

Re: Rate Re-basing

The Discussion Paper issued by the OEB on December 19, 2006 provides LDC's with the opportunity for self-nomination for re-basing. Guelph Hydro Electric Systems Inc. (GHESI) would like to request re-basing in 2008. This request is made for the following reasons:

Inclusion of the Administration Building in the Rate Base - In 2006, GHESI completed construction of an Administration Building at 395 Southgate Drive in the south end of Guelph. This \$9 million addition is not included in the rate base as 2006 and 2007 rates are based on the 2004 base year. Re-basing in 2008 will allow GHESI the opportunity to include this asset in the rate base.

Harmonization - In 2006, Wellington Electric Distribution Company merged with GHESI. The combined GHESI will submit a Cost Allocation submission in 2007. The first opportunity to harmonize rates would be by re-basing in 2008.

Yours sincerely,

GUELPH HYDRO ELECTRIC
SYSTEMS INC.

A handwritten signature in black ink, appearing to read "Peter Henderson", written over a horizontal line.

Peter Henderson
Vice-President of Finance

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