

March 21st, 2007

Ontario Energy Board Attention: Board Secretary 27th Floor, 2300 Yonge Street P. O. Box 2319 Toronto, ON M4P 1E4

Re: Multi-Year Electricity Distribution Rate Setting Plan

Selection of Electricity Distributors for Rebasing

Board File No. EB-2006-0330

Dear Board Secretary:

Halton Hills Hydro Inc. (HHHI) is requesting to be included in the 2008 rebasing year selection for the Multi-Year Electricity Distribution Rate Setting Plan. The primary purpose of the request is to address the financial impacts of population growth in our municipality.

In addition, Halton Hills planning and development projections indicate commercial/industrial development that will result in the need for an additional 80-100MW of energy by 2010. As a result of this projection, HHHI will require a new Transformer Station (TS) to accommodate the additional load. This facility will need to be built in 2009 to be operational in 2010.

Although the financial impacts of population growth will be mitigated by the requested 2008 rebasing, a further rebasing in 2010 to accommodate the financial impacts of the transformer station will also be required. This will smooth rate impacts for our customers over a longer three-year period and ameliorate the impact of this higher level of growth on existing ratepayers.

Therefore, Halton Hills Hydro respectively requests the Board's agreement to proceed with a two-phased rate rebasing plan that includes a first phase in 2008 and a second phase in 2010. Halton Hills Hydro believes this is a more prudent financial management strategy and is more compatible to managing rate impacts on our customers.

Please contact me if you require any additional information or have any questions concerning our request.

Sincerely,

Arthur A. Skidmore CMA

Chief Financial Officer

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