



Bill C.
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March 21, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

**Re: Board File # EB-2006-0330
Norfolk Power Distribution Inc.
Request for Self-Nomination 2008 Rebasing Rate Year**

Dear Kirsten,

Norfolk Power Distribution Inc. (NPDI) is pleased to submit to the Ontario Energy Board (OEB), its request for Self-Nomination in the first group of distributors for the 2008 Rate year. This request is in accordance with the Multi-year Electricity Distribution Rate Setting Plan Selection of Electricity Distributors for Rebasing letter issued by the Board on March 12, 2007

With respect to the 2006 Electricity Distribution Rate (2006 EDR) application, Norfolk Power included in the proposed electricity distribution rates a rate rider for Regulatory Assets Recovery (RAR) in the amount of \$1,697,000, to be recovered over a two year period (\$848,500 per year), which expires April 30, 2008. This rate rider combined with a 9% rate of return (ROE) had a total bill impact greater than 10% for residential customers. In order to reduce the rate increase for that class of customers, Norfolk Power's application proposed a reduced return on equity (ROE) of 5.3%, compared to the original proposal ROE of 9.0%. With the completion of the rate rider in April 2008, Norfolk Power believes the maximum ROE can be re-established and stable rates will be maintained assuming Norfolk Power is allowed to rebase in 2008.

Also, in 2004 Norfolk Power constructed a 115kV transformer station in its service territory of Norfolk County. With respect to the 2006 Electricity Distribution Rate (2006 EDR) application, only half of the cost of the transformer station was included in the rate base to be recovered in the distribution rates. Norfolk Power expects to include the full value of the transformer station in the year of rebasing. Rebasing in 2008 would allow Norfolk Power to start recovering the full value of the transformer station in a reasonable time frame.

We would be pleased to provide any further information that you may require relative to this request.

Yours truly,

A handwritten signature in black ink, appearing to read "Fred Druyf". The signature is fluid and cursive, with a long horizontal stroke at the end.

Fred Druyf
President & CEO
Norfolk Power Distribution Inc.