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July 24, 2006

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

via email to Boardsec@oeb.gov.on.ca - Original to follow by regular mail

Dear Mr. O'Dell:

**Re: 2008 Electricity Distribution Rate Group
Toronto Hydro-Electric System Limited**

I am writing to advise the Board that Toronto Hydro-Electric System Limited ("THESL") has begun preparations for a Cost of Service application and would like to be included in the Board's 2008 rate group for Cost of Service review.

In February 2006 the Ontario Energy Board announced its multi-year electricity distribution rate-setting plan for the years 2007 to 2010, elements of which include a generic cost of capital review in 2007 and a staggering of the timing of when utilities would come before the Board for a full cost of service review. Based on this information, THESL immediately took measures to begin the necessary preparations and is well-positioned to file the requisite Cost of Service Application no later than the third quarter 2007, for 2008 rates.

THESL's early commencement of this process was also guided by the Directions of the Board in its April 12, 2006 Decision with Reasons in THESL's 2006 EDR proceeding, EB-2005-0421.

THESL continues to be an active participant in the Board's proceedings related to the Board's multi-year electricity distribution rate-setting plan.

Please direct any questions or comments on this matter to the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read 'CR', written over a circular stamp.

Colleen Richmond for
R. Zebrowski, Vice-President
Regulatory Services

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