



Rene W. Gatien, P. Eng.
President & CEO

WATERLOO NORTH HYDRO INC.

PO Box 640
300 Northfield Drive East
Waterloo ON N2J 4A3
Telephone 519-888-5544
Fax 519-886-8592
E-mail rgatien@wnhydro.com
www.wnhydro.com

May 18, 2006

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

Attention: Mr. John Zych, Board Secretary

Dear Mr. Zych:

Re: EB-2006-0089 2nd Generation IRM

Waterloo North Hydro Inc. (WNH) would like to express its interest in participating in the project relating to the development of a 2nd Generation Incentive Regulation Mechanism (EB-2006-0089). WNH understands that the 2nd Generation Incentive Regulation will be an essential mechanism to drive further efficiency improvements in the electricity distribution sector and lay the foundation for 3rd Generation Incentive Regulation.

WNH has a strong history of participating in OEB Working Groups as it believes that contributions from all segments of the industry is vital in development of strong, comprehensive, efficient and practical codes for the industry to operate within. We are especially interested in ensuring that appropriate cohort groups and comparators are developed.

WNH has not yet designated a specific individual as their nominated representative for this project. If the OEB requires this information, and any additional information on this individual, please contact myself, Rene Gatien at 519-888-5544 or rgatien@wnhydro.com.

Waterloo North Hydro Inc. appreciates the OEB's consideration of its expression of interest in participating in this project.

If there are any questions, please do not hesitate to contact us.

Yours truly,

Rene W. Gatien, P.Eng
President & C.E.O.