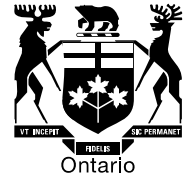


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BY E-MAIL AND WEB POSTING

March 12, 2007

To: All Licensed Electricity Transmitters
All Licensed Electricity Distributors
All Participants in EB 2006-0327
All Other Interested Parties

**Re: Filing Requirements for Service Area Amendment Applications
Board File Number EB-2006-0327**

Today, the Ontario Energy Board (the "Board") issued its filing requirements for service area amendment applications ("FRSAAA"), which sets out the information the Board requires in order to decide these applications. A copy of the FRSAAA is attached to this letter. The filing requirements will be published on the Board's website at www.oeb.gov.on.ca.

On November 14, 2006, the Board issued "Filing Requirements for Transmission and Distribution Applications" ("FRTDA"). The FRTDA sets out the Board's expectations for the information electricity transmitters and distributors are to file for certain applications.

In its letter accompanying the FRTDA, the Board indicated that as new standardized applications are identified, corresponding filing requirements will be developed for them. The filing requirements for the new standardized applications will then be incorporated into the FRTDA in order to provide a single reference for distributors and transmitters.

On December 20, 2006, a draft of the FRSAAA was released for stakeholder comment. Hydro One Networks Inc., Waterloo North Hydro Inc., the Electricity Distributors Association, and the Power Workers Union provided the Board with written comments in relation to the draft. The final FRSAAA has benefited from this input.

There were numerous stakeholder comments that the Board found reasonable and that improved the clarity of the final FRSAAA. Sections 7.0, 7.1.4, 7.1.6, 7.2, 7.2.1, 7.3.2, 7.3.3, 7.3.4 and 7.3.14 of the draft FRSAAA (or the corresponding sections in the final FRSAAA) are examples of sections that have been clarified in accordance with stakeholder comments.

The Board has also made revisions to section 7.5 of the FRSAAA which outlines the additional information required for contested applications. Sections 7.5.4 and 7.5.5 of the draft FRSAAA requested specific information on upgraded infrastructure necessary for each distributor to serve the proposed connection and information on service quality specific to the proposed service area for each distributor, if such information was available. The Board agrees with the submission of one stakeholder that sections 7.5.4 and 7.5.5 of the draft FRSAAA diluted the requirements set out in the Board's RP-2003-0044 decision with respect to contested applications. The Board has therefore revised the wording of these sections. Sections 7.5.5, 7.5.6, and 7.5.7 of the final FRSAAA more accurately reflect the requirements set out in the Board's RP-2003-0044 decision as well as requiring information that the Board believes is necessary for determining service area amendment applications. The Board will not require the information requirements listed in section 7.5 of the FRSAAA to be filed when the incumbent distributor does not oppose the application as these information requirements are relevant only in cases where the application is contested.

One commentator concentrated on the need to extend the date by which load transfers must be eliminated. The Board, in a separate process, issued a Notice of Proposal to Amend the Distribution System Code. The purpose of that process is to consider a date extension. The Board is presently considering submissions on the proposed code amendments.

As was stated in the Board's November 14, 2006 letter that accompanied the FRTDA, notwithstanding the filing requirements, an application to the Board is an application by the regulated company, and not merely a form filling exercise where the objective is to provide minimum data. The applicant is responsible for its case and the onus is on the applicant to prove the need for the approval being requested. Therefore, a clearly written application that advocates the need for the request, complete with sufficient evidence and justification, is essential to facilitate a timely decision. The Board decides each application on its own merits, and makes its decision based solely upon the evidence filed for each application. To be considered by the Board, evidence must be filed as part of the application under consideration.

The final FRSAAA will be added to the FRTDA as Chapter 7. The updated version of FRTDA will be published on the Board's website in due course.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Attachments: Filing Requirements for Service Area Amendment Applications