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ONTARIO ENERGY BOARD

EB-2006-0330

January 16, 2008
Ontario Energy Board
Kirsten Walli, Board Secretary
2300 Yonge Street
P.O. Box 2319, 26th Floor
Toronto, ON M4P 1E4

OEB BOARD SECRETARY	
File No:	Sub File: 8
Panel	
Licensing	Keli D.
Other	Wade F.
	Bill C.
OEB/14	5

Subject: 2009 and 2010 Distributor Rebasing – EB-2006-0330

We are in receipt of your letter dated January 2, 2008, whereby Essex Powerlines Corporation was selected by the Ontario Energy Board to rate rebase in 2009. Essex Powerlines is requesting that it's rate rebasing be deferred until 2010.

Essex Powerlines has very recently undergone a reorganization of its corporate structure effective January 1, 2008. This reorganization involved the transferring of employees and assets from our affiliate, Essex Power Services Corporation to Essex Powerlines. The transfer will eliminate all of the affiliate transactions for distribution activity between these two companies which improves our compliancy with the OEB. However, this transfer has required software setup, financial processes and reporting system changes for Essex Powerlines as well as other administrative changes that require some time to adjust and gain transactional history before we attempt to reset our rates.

This is not the only factor that we are requesting that we rebase in 2010. In 2008 we will be renegotiating our collective agreement with our union employees; implementing a major upgrade of our billing software; continuing negotiating with Hydro One to purchase some assets from them that is planned to be completed in early 2008 and attempting to acquire or amalgamate with another utility that we are anticipating will be concluded in 2008.

This deluge of activity for our administrative staff for 2008 has resulted in this request for 2010 rebasing. I'm sure the Ontario Energy Board can understand our concerns and we look forward to your support with the approval to defer to 2010.

Sincerely,

Richard E. Dimmel, CMA
General Manager