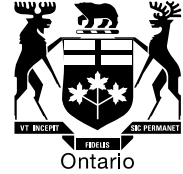


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BY E-MAIL AND WEB POSTING ONLY

December 19, 2006

**To: All Licensed Electricity Distributors
All Participants in Proceedings EB-2006-0088 and EB-2006-0089**

**Re: Multi-year Electricity Distribution Rate Setting Plan
Selection of Electricity LDCs for Rebasing
Board File No. EB-2006-0330**

Earlier this year, the Chair of the Ontario Energy Board announced that the Board has established a multi-year electricity distribution rate setting plan for the years 2007 to 2010. As part of this plan the Board will identify which electricity LDCs will be rebased for each of 2008, 2009 and 2010. The resulting rates will be the basis on which the subsequent (3rd generation) multi-year incentive regulation mechanism will be applied.

Attached to this letter is a Discussion Paper that describes Board staff's proposal for mapping electricity LDCs into three groups or tranches for rebasing and the setting of rates for each of 2008, 2009 and 2010.

The Board requests written comments on Board staff's Discussion Paper. Parties should make those submissions in a manner as set out below.

Cost Awards

The Board will not be issuing cost awards for this consultation.

Written Comment on Staff's Discussion Paper

Parties wishing to provide written comments on Board staff's Discussion Paper must file three (3) paper copies of the comments and an electronic version of the comments in searchable Adobe Acrobat (PDF) and Word with the Board Secretary by **4:30 p.m. on January 8, 2007**. Electronic copies may be submitted on diskette or by e-mail to boardsec@oeb.gov.on.ca.

Your submission must quote file number EB-2006-0330 and include your name, postal address and telephone number and, if available, e-mail address and fax number.

This letter, Board staff's Discussion Paper, and all written comments submitted in response to the Discussion Paper will be available for public inspection on the Board's website at www.oeb.gov.on.ca and at the Board's office during normal business hours. Enquiries should be directed to David Richmond at (416) 440-7654. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Encl.