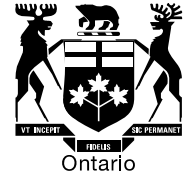


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**BY E-MAIL AND WEB POSTING ONLY**

January 2, 2008

**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 Distributors for Rebasing  
Board File No. EB-2006-0330**

Last year, the Chair of the Ontario Energy Board announced the establishment of a multi-year electricity distribution rate setting plan for the years 2007 to 2010. As part of this plan, the Board is identifying which group of electricity distributors will have their rates rebased in each of 2009 and 2010, as was done for 2008.

On November 5, 2007, the Board issued a letter inviting electricity distributors to indicate if they wished to self nominate for rate rebasing in 2009, and the deadline for making such filings has now expired. In accordance with the schedule set out in that letter, the Board is today issuing for comment the preliminary list of distributors whose rates are proposed to be rebased in 2009 and those whose rates are proposed to be rebased in 2010. The former are listed in Appendix A and the latter are listed in Appendix B.

Of the 29 distributors whose rates are proposed to be rebased in 2009, 23 self nominated for that year. All of the distributors that self-nominated for rate rebasing in 2009 have been selected for that year. Of the 30 distributors whose rates are proposed to be rebased in 2010, 6 self nominated for that year. All of the distributors that self-nominated for rate rebasing in 2010 have been selected for that year.

The criteria that the Board used in developing the lists set out in Appendix A and Appendix B are set out in the Board's March 12, 2007 report entitled *LDC Screening Methodology to Establish a Rebasing Schedule for Electricity LDCs*, which is available from the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). Self nomination is one such criterion, and the others are listed below.

**Financial Attributes**

- Liquidity – By means of standard financial indicators in order to consider a distributor's solvency and ability to meet short to mid-term obligations as they come due.
- Earnings – By means of comparing a distributor's actual financial and regulatory returns with approved levels.
- Cost Levels – A consideration of a distributor's cost levels to identify those with high costs in relation to other distributors including any payments to/from affiliates that are cost-based.

### Other Attributes

- Prior Board Directions/Decisions/Orders – An identification of issues provided in the prior proceedings of the Board, e.g., certain distributors were required in their 2006 EDR decisions to report additional information to the Board.
- Rate Harmonization – An identification of distributors with an evident need of rate harmonization in order to ensure the simplification of rate schedules and the fair treatment of customers of the distributor.

### Consultation Process

The Board invites comments on the preliminary lists of distributors whose rates are proposed to be rebased in 2009 and 2010. Any such submission must be filed with the Board Secretary by **4:30 p.m. on Monday January 21, 2008**. Electronic copies may be submitted on diskette or by e-mail to [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca). Any submission must state in the subject line **2009 and 2010 Distributor Rebasing, file EB-2006-0330** and include your name, postal address and telephone number and, if available, e-mail address and fax number. No costs will be awarded in respect of these submissions, as the matters on which submissions may be required are not so complex as to warrant extensive work by interested parties.

### Next Steps

The Board expects to publish its rebasing final lists in mid February 2008. After publishing the final lists, the Board will provide direction to the distributors on the lists.

Any questions relating to this process should be directed to the Market Operations hotline at 416-440-7604, or by e-mail to [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca).

Yours truly,

ORIGINAL SIGNED BY

Kirsten Walli  
Board Secretary

Attachments: Appendix A.... Selection of Electricity Distributors for Rate Rebasing in 2009  
Appendix B.... Selection of Electricity Distributors for Rate Rebasing in 2010

**Selection of Electricity Distributors for Rate Rebasng in 2009  
Board File No. - EB-2006-0330**

**APPENDIX A**

<b>Distributor</b>	<b>Reasons for Selection</b>
Bluewater Power Distribution	self-nominated; financial attributes
Canadian Niagara Power - Eastern Ontario Power	self-nominated; financial attributes; complex rate structure
Canadian Niagara Power - Fort Erie	self-nominated; financial attributes; complex rate structure
Canadian Niagara Power - Port Colborne	self-nominated; financial attributes; complex rate structure
Centre Wellington Hydro Ltd.	self-nominated; financial attributes; complex rate structure
COLLUS Power Corporation	self-nominated; 2006 EDR Concern
ENWIN Powerlines Ltd.	self-nominated; financial attributes
Essex Powerlines Corporation	financial attributes; 2006 EDR Concern
Fort Frances Power Corporation	financial attributes
Greater Sudbury Hydro Inc.	financial attributes; 2006 EDR Concern
Hearst Power Distribution Company Ltd.	financial attributes
Innisfil Hydro Distribution Systems Limited	self-nominated; financial attributes
Lakeland Power Distribution Ltd.	self-nominated; financial attributes; complex rate structure
London Hydro Inc.	self-nominated
Midland Power Utility Corporation	self-nominated; financial attributes
Niagara-on-the-Lake Hydro Inc.	self-nominated; financial attributes
North Bay Hydro Distribution Limited	self-nominated; 2006 EDR Concern
Northern Ontario Wires Inc.	self-nominated; financial attributes
Orillia Power Distribution Corporation	self-nominated; financial attributes; 2006 EDR Concern
Parry Sound Power Corporation	self-nominated; financial attributes
Peterborough Distribution Incorporated	financial attributes; complex rate structure; 2006 EDR Concern
PowerStream Inc.	self-nominated; financial attributes; complex rate structure; 2006 EDR Concern
Thunder Bay Hydro Electricity Distribution Inc.	self-nominated; financial attributes
Tillsonburg Hydro Inc.	self-nominated; financial attributes

Welland Hydro-Electric System Corp.	self-nominated; 2006 EDR Concern
West Coast Huron Energy Inc.	financial attributes
West Perth Power Inc.	self-nominated; financial attributes
Westario Power Inc.	self-nominated; financial attributes
Whitby Hydro Electric Corporation	self-nominated; financial attributes

**Selection of Electricity Distributors for Rate Rebasing in 2010**  
**Board File No. - EB-2006-0330**

**APPENDIX B**

<b>Distributor</b>	<b>Reasons for Selection</b>
Burlington Hydro Inc.	final year for rebasing
Cambridge and North Dumfries Hydro Inc.	final year for rebasing
Chatham-Kent Hydro Inc.	self-nominated
Clinton Power Corporation	final year for rebasing
Cooperative Hydro Embrun Inc.	final year for rebasing
E.L.K. Energy Inc.	final year for rebasing
Festival Hydro Inc.	final year for rebasing
Grand Valley Energy Inc.	final year for rebasing
Grimsby Power Incorporated	final year for rebasing
Haldimand County Hydro Inc.	final year for rebasing
Halton Hills Hydro	self-nominated
Hydro Hawkesbury Inc.	final year for rebasing
Hydro One Brampton Networks Inc.	self-nominated
Kenora Hydro Electric Corp. Ltd.	final year for rebasing
Kingston Electricity Distribution Ltd.	self-nominated
Kitchener-Wilmot Hydro Inc.	self-nominated
Middlesex Power Distribution Corp.	self-nominated
Milton Hydro Distribution Inc.	final year for rebasing
Newbury Power Inc.	final year for rebasing
Niagara Falls Hydro Inc.	final year for rebasing
Oakville Hydro Electricity Distribution Inc.	final year for rebasing
Orangeville Hydro Limited	final year for rebasing
Ottawa River Power Corporation	final year for rebasing

Renfrew Hydro Inc.	final year for rebasing
St. Thomas Energy Inc.	final year for rebasing
Verdian Connections Inc.	final year for rebasing
Wasaga Distribution Inc.	final year for rebasing
Waterloo North Hydro Inc.	final year for rebasing
West Nipissing Energy Services Ltd.	final year for rebasing
Woodstock Hydro Services Inc.	final year for rebasing