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January 4, 2007

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

(Sent via E-mail)

Dear Board Secretary:

**Re: Discussion Paper on Screening Methodology to Establish a Rebasing
Schedule for Electricity LDCs**

I am writing in response to the request for comments on the criteria for the selection of LDCs into the first tranche for rate rebasing.

The Discussion Paper indicates that prior Board directions, decisions and orders will be taken into consideration in the selection process. It is the position of PUC Distribution Inc. that significant weighting should be given to self nominating LDCs that had components of their revenue requirement in their 2006 EDR application reduced or disallowed in the Board's rate decision. The full impact of such decisions may not be evident in a review of the financial attributes by Board staff as 2006 audited financial data will likely not be available when LDC earnings and liquidity data are being scrutinized.

The justification for the disallowed or reduced costs may be more evident with the availability of two years of financial history, i.e. 2005 and 2006. Any further delay in the recovery of such costs by affected LDCs by postponing their rate rebasing to 2009 or 2010 could severely compromise their financial position.

Yours truly,

H. J. Brian Curran P. Eng., MBA
President & C.E.O.