

Wednesday January 24th 2007

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

Re: Erie Thames Powerlines Rate Application for 2007 IRM Process EB-2007-0524

Dear Ms. Walli,

Please accept Erie Thames Powerlines Rate Application for the 2007 IRM Distribution Rate process due January 26th 2007 as per the Board Report on the Cost of Capital and 2nd Generation Incentive Regulation on December 20th 2006.

Should you have any questions concerning these matter please do not hesitate to contact the undersigned.

Sincerely,
Erie Thames Powerlines Corporation

Per: Chris White
Asset Manager

**Erie Thames Powerlines Corporation
2007 Incentive Regulation Distribution Rate Adjustment
EB-2007-0524**

Executive Summary

Overview

Erie Thames Powerlines Corporation is applying for the following changes in distribution rates effective May 1st, 2007:

- An increase in Distribution rates resulting from the net change from the difference between the Price Escalator (GDP-IPI) of 1.92% and the expected Productivity gain of 1.00%

Compliance with Energy Board Guidelines and Methodology

This application is filed in compliance with the guidelines and methodology outlined by the Ontario Energy Board.

Motion of Review and Variance Pending before the Board

Erie Thames Powerlines notes that this application is based on the current Board approved 2006 EDR filing which has a pending Motion of Review and Variance (Board File number not yet assigned) filed with the Board. Therefore, pending the Board's disposition of the Motion, the approved 2006 rates filed in this application could change and the 2007 IRM would have to be re-filed to incorporate any such changes.