

Ontario Energy Board
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**Commission de l'énergie
de l'Ontario**
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August 15, 2007

James C. Sidlofsky
Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street West
Toronto, Ontario M5H 3Y4

Dear Mr. Sidlofsky;

Re: North Bay Hydro Distribution Limited 2008 Electricity Distribution Rate Application

The Board is in receipt of your letter of August 14 indicating a delay until the end of September in the filing of North Bay Hydro's rate rebasing application for the 2008 rate year. Please be informed that the Board established the August 15 date based on an assessment of the number of applications for rebasing that are expected to be filed and the time required to process those applications. The goal was to allow sufficient time to process the applications in time for a change to distribution rates on May 1, 2008.

It is at the discretion of the applicant if they do not wish to file on the date specified. If North Bay Hydro files its application not until the end of October, there could be a delay in processing the application to an extent that the effective date for new rates could be later than May 1, 2008. If that does occur, there is the possibility that the Board would have to consider the matter of rate retroactivity. As a matter of policy, the Board does not support retroactive rate setting; however, the unique circumstances of an individual case would prevail. Therefore, the matter of rate retroactivity would introduce another issue into the rate review for North Bay Hydro's rate rebasing application.

The Board is encouraged that North Bay Hydro is working to file its application as close to the August 15 date as possible.

Yours truly,

Original Signed By

Peter H. O'Dell
Assistant Board Secretary