



PUC Distribution Inc.
765 QUEEN STREET EAST, P.O. Box 9000
SAULT STE. MARIE, ONTARIO, P6A 6P2

August 13, 2007

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

Attention: Ms. Walli

Re: 2008 Rebasing Schedule
Board File No. EB-2006-0330

On May 4, 2007, the Ontario Energy Board issued the final selection of 25 Electricity Distributors for rate rebasing in 2008. PUC Distribution Inc. was named as one of the selected distributors by the Ontario Energy Board whose rates will be rebased in 2008. PUC Distribution Inc. has been working diligently with our consultant Elenchus Research Associates (ERA) to complete and file our 2008 rate application by August 15, 2007. However, as you were advised in your recent meeting with ERA, most of the LDCs filing 2008 rates will not be able to complete their filing by August 15th due to challenges with the ERA model and with collecting the appropriate data needed to prepare the 2008 rate application.

We are committed to filing a 2008 rate application that is not only compliant with the Board's minimum filing requirements, but also provides clear and complete evidence in support of our application. Shortcomings in our filing will create problems for Board Staff as well as for us and our stakeholders. We have engaged outside resources to review our capital and maintenance requirements and also our cost allocation methodology. These reports have not yet been completed.

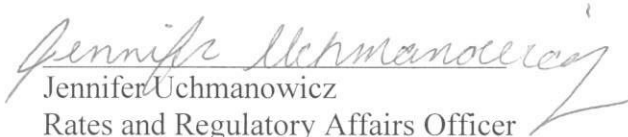
We have carefully reviewed the status of our work to date and the timeliness for completing our filing. As a result of this review, we wish to advise you that we will be able to complete our 2008 rate application by October 31, 2007. We regret any inconvenience that may result from this delay, but are confident that it is in the interest of everyone concerned to take the extra time to



PUC Distribution Inc.
765 QUEEN STREET EAST, P.O. Box 9000
SAULT STE. MARIE, ONTARIO, P6A 6P2

complete a filing that can be processed with the minimum amount of effort. We will continue to make every effort to complete the filing at the earliest possible date and file with the Board in advance of the date noted above.

Sincerely,



Jennifer Uchmanowicz
Rates and Regulatory Affairs Officer
PUC Distribution Inc.
Sault Ste. Marie Ont.
Email: jennifer.uchmanowicz@ssmpuc.com
Phone: 705-759-3009