

Ontario Energy Board
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**Commission de l'énergie
de l'Ontario**
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August 20, 2007

Allan Beckstead
Chief Financial Officer
Rideau St. Lawrence Distribution Inc.
985 Industrial Rd.
P.O. Box 699
Prescott, Ontario, K0E 1T0

Dear Mr. Beckstead:

Re: Rideau St. Lawrence Distribution Inc. – 2008 Rate Application

The Board is in receipt of your letter of August 10 indicating a delay until September 28 in the filing of your 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 Rideau St. Lawrence Distribution Inc. files on September 28, 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 Rideau St. Lawrence Distribution's rate rebasing application.

The Board is encouraged that Rideau St. Lawrence Distribution Inc. is committed to file its 2008 rate application that is compliant with the Board's filing requirements.

Yours truly,

Original Signed By

Peter H. O'Dell
Assistant Board Secretary