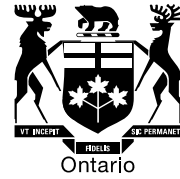


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BY E-MAIL

August 20, 2008

**To: All Licensed Electricity Distributors
All Intervenors in the 2008 Electricity Distribution Rate Proceedings**

**Re: Review Initiative: Account 1562, Deferred Payments in Lieu of Taxes
("PILs") Board file number EB-2007-0820**

**Board staff discussion paper: Account 1562 – Deferred Payments in
Lieu of Taxes, Methodology and Disposition of Balances for
Electricity Distribution Companies affected by section 93 of the
Electricity Act, 1998.**

Attached is the Ontario Energy Board staff discussion paper entitled, Account 1562 – Deferred Payments in Lieu of Taxes, Methodology and Disposition of Balances for Electricity Distribution Companies affected by section 93 of the Electricity Act, 1998.

This discussion paper is the next step in the EB-2007-0820 proceeding as announced on March 3, 2008. The paper is designed to assist parties in the EB-2007-0820 proceeding to resolve outstanding issues with respect to the disposition of balances in account 1562. The EB-2007-0820 proceeding is planned to begin in the fall of 2008.

A procedural document will be issued in the near future outlining the next steps in the EB-2007-0820 proceeding.

If you have any questions regarding this initiative, please contact Harold Thiessen, Senior Advisor, at 416-440-7637 or by e-mail at harold.thiessen@oeb.gov.on.ca.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary