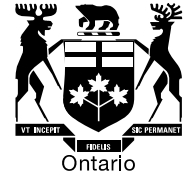


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BY E-MAIL AND WEB POSTING ONLY

January 29, 2009

**To: All Licensed Electricity Distributors
All Other Interested Parties**

**Re: Multi-year Electricity Distribution Rate Setting Plan
Board File No.: EB-2009-0028**

In 2006 the Board established a multi-year Electricity Rate Setting Plan for the rate years 2008 to 2010, based on an assumption that all electricity distributors would be rebased over a three-year period. In the interim, those not rebasing would stay on an incentive regulation plan (known as "2nd Generation IRM").

The Board has reviewed the process in light of the 2008 and 2009 rate applications experience and considered the views of stakeholders expressed to Board staff. The Board recognizes the cost of service process is effort intensive for applicants, the Board and intervenors. The Board has decided to extend the number of years for rebasing to include 2010 and 2011 rate years. In the interim those distributors whose rates have not been rebased will stay on 2nd Generation IRM until rebased.

The Board has considered previously stated preferences and applied the criteria set out in the Board's March 12, 2007 report entitled *LDC Screening Methodology to Establish a Rebasing Schedule for Electricity LDCs*, which is available from the Board's website at www.oeb.gov.on.ca. The criteria include financial attributes and other attributes such as the need for rate harmonization and issues arising from prior Board proceedings. The Board attaches as Schedules A and B preliminary lists for 2010 and 2011 and invites comment from interested parties.

All parties that wish to comment on Schedules A and B are requested to file a letter with the Board Secretary by **February 13, 2009**. Any distributor wishing to be considered in the alternate year should provide their reasons. The letter in the subject line should state "**2010-2011 Distributor Rebasing, Board File EB-2009-0028**". Letters of comment will be posted on the Board's website. No costs will be awarded in respect of these submissions as the matters on which submissions may be made are not so complex as to warrant extensive work by interested parties. Upon considering the comments the Board will post the final lists on the Board's website by March 1, 2009. After publishing the final lists, the Board will provide direction to the distributors on the lists.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Schedule A
Selection of Electricity Distributors for Rate Rebasings in 2010

1	Brant County Power Inc.
2	Burlington Hydro Inc.
3	Clinton Power Corporation
4	Essex Powerlines Corporation
5	Festival Hydro Inc.
6	Fort Frances Power Corporation
7	Haldimand County Hydro Inc.
8	Hearst Power Distribution Company Limited
9	Hydro Hawkesbury Inc.
10	Kenora Hydro Electric Corporation Ltd
11	North Bay Hydro Distribution Limited
12	Oakville Hydro Electricity Distribution Inc.
13	Orillia Power Distribution Corporation
14	Renfrew Hydro Inc.
15	Veridian Connections Inc.
16	Whitby Hydro Electric Corporation

Schedule B
Selection of Electricity Distributors for Rate Rebasing in 2011

1	Attawapiskat Power Corporation
2	Cambridge and North Dumfries Hydro Inc.
3	Chatham-Kent Hydro Inc.
4	Cooperative Hydro Embrun Inc.
5	Dutton Hydro Limited *
6	E.L.K. Energy Inc.
7	Fort Albany Power Corporation
8	Grimsby Power Incorporated
9	Hydro One Brampton Networks Inc.
10	Kashechewan Power Corporation
11	Kingston Electricity Distribution Limited
12	Kitchener-Wilmot Hydro Inc.
13	Middlesex Power Distribution Corporation *
14	Milton Hydro Distribution Inc.
15	Newbury Power Inc. *
16	Niagara Peninsula Energy Inc.
17	Orangeville/Grand Valley
18	Ottawa River Power Corporation
19	Parry Sound Power Corporation
20	St. Thomas Energy Inc.
21	Wasaga Distribution Inc.
22	Waterloo North Hydro Inc.
23	Woodstock Hydro Services Inc.

* Amalgamation proposal currently before the Board that could affect the year of rebasing.