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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

January 16, 2009

To all intervenors of record in EB-2008-0272

EB-2008-0272– Hydro One Networks' 2009-2010 Transmission Rate Application – Settlement Conference

Per Procedural Order 1 in the above application, dated November 14, 2008, the Board has scheduled a settlement conference, commencing at 9:30 a.m. on Tuesday February 3, 2009, and continuing to Thursday February 5, 2009 if required, with any resultant settlement or partial settlement agreement to be filed with the Board on Monday February 9, 2009.

As has been Hydro One's past practice in such conferences, the Company will not commit to any reduction to either the capital or OM&A expenditures requested for the test years 2009 and 2010. Given this, and the limited number of issues approved by the Board in Procedural Order 2, dated December 1, 2008, Hydro One is seeking input from the registered intervenors as to what specific issues or sub-parts thereof intervenors feel would benefit from discussion during this conference.

In this way all participants will be able to prepare for a focused and hopefully expedited settlement process.

Please provide your comments and suggestions by email to **regulatory@HydroOne.com** or by letter to:

Mr. Glen MacDonald
Regulatory Affairs
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Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

c. Ms. Kirsten Walli, Ontario Energy Board