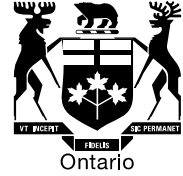


Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL ONLY

November 9, 2007

David Sinclair
Kenora Hydro Electric Corporation Ltd.
215 Mellick Avenue, P.O. Box 2680
Kenora ON P9N 3X8

Letter of Direction

Dear Mr. Sinclair:

**Re: Kenora Hydro Electric Corporation Ltd.
2008 Incentive Regulation Mechanism (2008 IRM) Rate Application
Board File Number EB-2007-0835**

The Ontario Energy Board has issued its Notice of Application and Hearing relating to your 2008 IRM application. Please note that you must publish the notice within fourteen days of the date of this letter. If publication is impossible within fourteen days, you must inform the Board staff contact given at the bottom of this letter immediately.

You are directed:

- 1) To arrange immediately for the enclosed Notice, headed with the Ontario government logo and the words "Ontario Energy Board", to be published in one issue of the newspaper having the highest paid circulation, according to the best information available, in Kenora Hydro Electric Corporation Ltd.'s service area. Publication must be complete within fourteen days of the receipt of this letter.

Please note that invoices regarding publication are not to be sent to the Board.

- 2) If Kenora Hydro Electric Corporation Ltd. is a host distributor, to immediately, and no later than the date of publication of the Notice, serve a copy of the Notice directly on its embedded distributor(s).

- 3) To file with the Board an affidavit proving publication and, where applicable, service of the Notice immediately thereafter.
- 4) To make a copy of the application and evidence, and any amendments thereto, available for public review at Kenora Hydro Electric Corporation Ltd.'s office and on its website, if available; and,
- 5) To provide a copy of the application and evidence, and any amendments thereto, to any intervenor who requests a copy.

Board staff contact

Please direct any questions relating to this application to David Brown at 416-440-8123, or by e-mail at David.Brown@oeb.gov.on.ca.

Yours truly

Original signed by

Kirsten Walli
Board Secretary