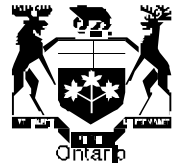


**Ontario Energy
Board**
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**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

December 19, 2007

Mr. Glen MacDonald
Hydro One Networks Inc.
8th Floor, South tower
483 Bay Street
Toronto, ON M5G 2P5

Ms. Paula Conboy
PowerStream Inc.
8100 Warden Avenue
Box 4100
Markham, ON L3R 8H7

LETTER OF DIRECTION

Dear Mr. MacDonald and Ms. Conboy:

**Re: Application for Licence Amendments and Sale of Distribution Assets
Board File No. EB-2007-0916**

The Ontario Energy Board has now issued its Notice of Application with respect to the above application and a copy is enclosed.

You are directed:

1. To immediately have the Notice posted on the applicants' websites.
2. To immediately serve a copy of the Notice and a suitable notification letter, in person, by courier or by registered mail, upon the 68 customers that are the subject of the above referenced application. The applicants should use the sample letter attached as appendix A to this Letter of Direction as a format for the suitable notification letter to the customers.
3. To file with the Board affidavit evidence proving the above service immediately upon completion, with original post office registration receipts (where applicable), or courier confirmation lists attached as appendices.

- 2 -

4. To immediately have copies of the application made available for public review at the applicants' head offices.
5. To immediately provide a copy of the application to any person upon request.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

Encl.

Appendix A

Sample letter to the 68 customers that the applicants propose to transfer from Hydro One to PowerStream

YOUR ELECTRICITY DISTRIBUTOR MAY BE CHANGING

Dear customer:

As you know, you are currently a customer of Hydro One Networks Inc. and receive your electricity bills from Hydro One. However, you may not know that your electricity is supplied by PowerStream Inc. You are within one electricity distributor's service area but are actually served electricity from a second electricity distributor. This arrangement is known as a long term load transfer.

The Ontario Energy Board requires electricity distributors to eliminate long term load transfer arrangements before January 31, 2009.

Both Hydro One and PowerStream have applied to the Board for an order approving your transfer to PowerStream. If the Board approves the transfer, you will become a customer of PowerStream and your electricity rate may change – you will be supplied and billed by PowerStream.

An official Notice of Application was issued by the Board, a copy of which is attached to this letter.

If you have any questions about this letter or the effect of this application on your electricity rate, please call (name of person) at Hydro One at (phone number).