

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

January 30, 2007

Ross Peever
Welland Hydro-Electric System Corp.
P.O. Box 280, 950 East Main Street
Welland, ON L3B 5P6

Dear Mr. Peever:

**Re: Welland Hydro-Electric System Corp.
2007 Incentive Rate Mechanism
Application Board File Number EB-2007-0586**

This will acknowledge receipt on January 26, 2007 of your electricity distribution rate application. An initial review of your application reveals that it has been filed on the basis of the Board's December 20, 2006 "Report of the Board on the Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors" and will be processed accordingly.

The Board has assigned File Number EB-2007-0586 to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

Based on the Board's experience with applications of this nature, the Board expects that it will be able to render a decision and/or order in this application on or about April 12, 2007.

Please direct any questions relating to this application to Marc Abramovitz, Advisor at 416-440-7690 or Marc.Abramovitz@oeb.gov.on.ca.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary

c. Wayne Armstrong, Welland Hydro-Electric System Corp.
James C. Sidlofsky, Borden Ladner Gervais LLP