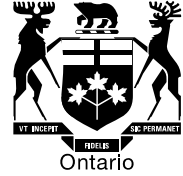


**Ontario Energy
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BY EMAIL

January 21, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Hearst Power Distribution Company Limited
2008 Incentive Regulation Mechanism Rate Application
Board File Number EB-2007-0824**

Please find attached Board staff's submission for the above proceeding for distribution to the applicant and any intervenors.

Yours truly,

Original signed by

Laurie Reid
Senior Policy Advisor, Regulatory Policy Development

Encl.