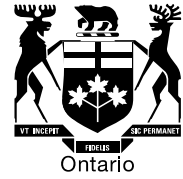


**Ontario Energy
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BY EMAIL ONLY

January 21, 2008

Ontario Energy Board
P.O. Box 2319
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2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Canadian Niagara Power Inc. – Fort Erie
2008 Incentive Regulation Mechanism Rate Application
Board File Number EB-2007-0839**

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

Yours truly,

Original signed by

Alison Cazalet
Policy Advisor, Regulatory Policy Development

Encl.