January 23, 2008

Ontario Energy Board
P.O. Box 2319
2300 Yonge St
26th Floor
TORONTO, ON M4P 1E4

Attention: David Brown

Re: Kenora Hydro Electric Corporation Ltd – 2008 IRM – EB 2007-0835

Dear Sir,

In response to your letter dated January 23, 2008, please find the following responses:

1. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for the Unmetered Scattered Load class is applied on a "per customer" basis, however, your 2008 model does not reflect this.

The 2007 Tariff of Rates and Charges does indicate that the USL charge is based on a "per connection" basis. The 2008 IRM Model should also indicate that this charge will be applied on a per connection basis. This was an oversight.

2. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for the Street Lighting class is applied on a "per customer" basis, however, your 2008 model does not reflect this.

The 2007 Tariff of Rates and Charges does indicate that the Street Lighting class charge is based on a "per connection" basis. The 2008 IRM Model should also indicate that this charge will be applied on a per connection basis. This was an oversight.

Should you require any information, please do not hesitate to contact me directly at (807) 467-2014.

Thank you,

Janice Robertson Manager of Finance & Regulatory Affairs (807)467-2014 jrobertson@kenora.ca