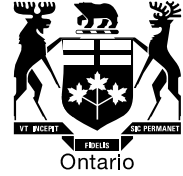


**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

February 12, 2007

James Crawford
Tay Hydro Electric Distribution Company Inc.
489 Finlayson Street, P.O. Box 160
Port McNicoll, ON L0K 1R0

Dear Mr. Crawford:

**Re: Tay Hydro Electric Distribution Company Inc.
2007 Incentive Rate Mechanism
Application Board File Number EB-2007-0578**

This will acknowledge receipt on February 7, 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-2007-0578 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 Lee Harmer, Manager at 416-440-8108 or Lee.Harmer@oeb.gov.on.ca.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary