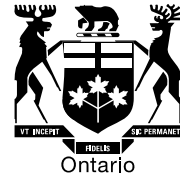


Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
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2300, rue Yonge
Toronto ON M4P 1E4
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Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

February 15, 2007

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

LETTER OF DIRECTION

Dear Mr Crawford:

**Re: Tay Hydro Electric Distribution Company Inc.
2007 Distribution Rate Application
Board File No. EB-2007-0578**

The Ontario Energy Board has now issued its Notice relating to your rate application and the associated hearing, as well as to the combined proceeding referred to in the January 29, 2007 "Report of the Board on 2nd Generation Incentive Regulation for Ontario's Electricity Distributors: Addendum for Smart Metering Rates" ("Notice").

You are directed:

1. To arrange immediately for the enclosed English version of the Notice, headed with the Ontario government logo and the words "Ontario Energy Board", to be published in one issue of the English language newspaper having the highest paid circulation, according to the best information available, in Tay Hydro Electric Distribution Company Inc.'s service area;

(Note: Please make it clear that invoices regarding publication are not to be sent to the Board.)

2. If Tay Hydro Electric Distribution Company Inc. is a Host Distributor, to immediately, and no later than the date of publication of the Notice, serve a copy of the Notice directly on its Embedded Distributor(s);

3. To file with the Board an affidavit proving publication and, where applicable, service of the Notice immediately thereafter;
4. To make a copy of the application and evidence, and any amendments thereto, available for public review at Tay Hydro Electric Distribution Company Inc.'s office and on its website, if available; and,
5. To provide a copy of the application and evidence, and any amendments thereto, to anyone requesting the material.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Enclosures