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April 24, 2008

Delivered by Courier and E-mail

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Peterborough Distribution Inc. - Request for change in 2007 electricity distribution rates reflecting reduced customer numbers, and amended 2008 IRM Model reflecting proposed revised 2007 rates – OEB File No. EB-2007-0886

We are counsel to Peterborough Distribution Inc (“PDI”) in the above-captioned matter. On March 7, 2008, PDI filed a request for an amendment to its 2007 electricity distribution rates, and to its proposed 2008 distribution rates requested under the OEB’s IRM adjustment process. As discussed in our letter of March 7th, these adjustments were necessary in light of PDI’s recent determination that a significant number of its sentinel light connections were counted twice – once in the sentinel light class; and a second time in one of the residential, GS < 50 kW or GS > 50 kW classes. As noted in our previous correspondence, with an actual customer count of 363 in the GS > 50 kW customer class, the inadvertent addition of 77 unmetered sentinel light connections inflated the size of that customer class by approximately 21 percent. The effect of the double counting is that PDI has not been able to meet its revenue requirement, nor will it be able to meet its revenue requirement for 2008.

In order to address this error, PDI requested the following order from the OEB:

- (a) that the OEB adjust PDI’s current (2007) distribution rates to reflect the updated customer/connection numbers as outlined in Appendix A, effective January 1, 2008; and
- (b) That the OEB accept the revised 2008 IRM model and electricity distribution rates accompanying this letter as Appendix B in substitution for PDI’s 2008 IRM model and proposed electricity distribution rates filed on October 28, 2007.

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The OEB issued its letter of direction for the publication of notice in PDI's amended 2008 IRM rate application on April 2, 2008. PDI published the notice as directed by the OEB on April 9, 2008. The notice allowed 10 days for perspective intervenors to file and deliver their requests for intervenor status. To date, PDI has received no such requests, and has made enquiries of OEB staff, who advised that to their knowledge, the OEB has not received any requests for intervenor status in this matter.

PDI remains keenly interested in obtaining the requested relief as soon as possible – that is, an adjustment to its 2007 distribution rate order that would be effective January 1, 2008; and a 2008 distribution rate order that reflect the corrected customer counts and is effective May 1, 2008. As there are no intervenors in this proceeding, we would appreciate the Board's disposition of this matter and the issuance of an order granting the requested relief and the two necessary schedules of rates and charges, at its earliest convenience.

Should you have any questions or require further information in this matter, please do not hesitate to contact me or Mr. Rob Kent, Acting CFO, PDI, at (705) 748-9301 ext. 1272 or RKent@peterboroughutilities.ca.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Original Signed by James C. Sidlofsky

James C. Sidlofsky

JCS/dp

Copies to: Larry Doran, President & Chief Executive Officer, PDI
 Rob Kent, Manager of Finance, PDI

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