



March 29, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319, 27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

RE: Chatham-Kent Hydro EB-2007-0517

In response to the Board Staff Submission on the 2007 IRM Distribution Rate Application concerning the Conservation and Demand Management (CDM) funding we are withdrawing the submission for CDM funding through distribution rates.

After consideration and review of the Ontario Power Authority (OPA) Programs for 2007, we have concluded that the programs that Chatham-Kent Hydro is proposing are similar to the OPA. Therefore, we would like to withdraw the \$200,000 CDM from our rates in the 2007 IRM.

Recently there was a submission on March 23, 2007 for additional CDM funding for Line loss and School Education Programs for a total of \$65,000 to be included in our distribution rates, Chatham-Kent Hydro still want these to be included in the 2007 IRM.

If you have any questions or concerns, please do not hesitate to contact me.

Yours truly,

Cheryl Decaire
Coordinator Regulatory and Rates
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CC: Mr. Jay Shepherd (Schools)
Mr. Bob Williams (Schools – OESC)
Ms. Rachel Chen (Schools – IEA, Inc.)
Mr. Michael Buonaguro (VECC)
Mr. Tim Turner (VECC – Econalysis Consulting Services Inc.)
Mr. Patrick McMahon (Union Gas)