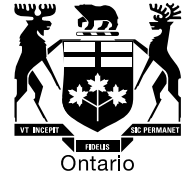


**Ontario Energy
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BY E-MAIL

June 20, 2008

To: Hydro One Networks Inc.
Great Lakes Power Ltd.
Canadian Niagara Power Inc.
Five Nations Energy Inc.
All Electricity Distributors
All intervenors in EB-2006-0501

**Re: Notice of Hydro One Networks' 2009 Uniform Transmission Rate
Adjustment Application OEB File No. EB-2008-0113**

On May 30, 2008, Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (the "Board") to adjust uniform transmission rates effective January 1, 2009. The Board has assigned Board File number EB-2008-0113 to this proceeding.

The uniform transmission rates are also applicable to the transmitters Great Lakes Power Limited, Canadian Niagara Power Inc. and Five Nations Energy Inc. As such, in the event the Board approves Hydro One's application, it will be necessary that the Board establish a new Uniform Transmission Rate.

Hydro One stated that the need for this application arose as a result of the Board's Decision in Proceeding EB-2006-0501 which directed the implementation of an Earnings Sharing Mechanism (ESM) and the disposition of the Company's Revenue Difference Deferral Account (RDDA) over the fourteen month period beginning November 1, 2007 through December 31, 2008. This had the effect of reducing Hydro One's revenue requirement from the approved levels and necessitated a one-time rate change to reflect the appropriate re-payment to transmission customers. Therefore, in order to allow recovery of the Board approved 2008 revenue requirement, Hydro One is requesting the proposed adjustment to the uniform transmission rates, effective January 1, 2009. Hydro One stated that the requested rates would result in a 9.2% average increase when applied to the uniform transmission rates.

In its EB-2006-0501 Decision, the Board had stated that the revenue requirement for 2009 and 2010 should be established through a full cost-of-service proceeding.

In the present application, Hydro One noted the Board's expectation that it would return with a cost of service application for 2009 and stated that it was preparing a 2009-2010 Transmission Revenue Requirement and Rate Application to be submitted at the end of August 2008. Hydro One further noted that the Board's Decision had directed it to complete a number of studies with specific stakeholder engagement prior to the next application. Hydro One confirmed that it was currently undertaking these studies and extensively involving stakeholders, but that to ensure complete and comprehensive responses to the Board directives, these studies would not be complete until later this year, at which time they would be incorporated into the rate application. Hydro One stated that with the August 2008 submission date, it was recognized that the associated approved uniform transmission rates might not be implemented until mid-2009, which would result in an over-payment of the ESM and RDDA to customers in the absence of the proposed rate adjustment.

The Board invites submissions from affected transmitters, distributors and directly connected customers and parties to the EB-2006-0501 proceeding.

If you do not respond to this notice in accordance with the enclosed procedural order, the Board may proceed in your absence and without further notice to you of this proceeding.

In its application, Hydro One has proposed that its application be reviewed through a written proceeding since all of the information provided in this application has been reviewed by the Board and intervenors during the EB-2006-0501 proceeding and all numbers are based on the previously Board approved Hydro One 2008 revenue requirement and the revenue requirements of other transmitters as approved in the Board's Rate Order for proceeding EB-2006-0501.

The Board accepts Hydro One's proposed manner in which to reflect the EB-2006-501 Decision given the expected timing of the 2009 rate application and intends to proceed with this application by way of written hearing. The Board will not hold a written hearing if a party satisfies the Board that there is good reason for holding an oral hearing. If you object to the Board holding a written hearing, your letter to this effect must include reasons why an oral hearing is necessary and be received by the Board no later than 10 days from the publication or service date of this Notice.

Applications for cost eligibility must be by letter and received by the Board no later than 10 days from the publication or service date of this Notice.

If you already have a user ID, please provide your submissions through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. If you do not have a user ID, please visit the Board's website under e-filings and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services.

The Board also accepts submissions by e-mail, at the address below, and again, two additional paper copies are required. Those who do not have internet access are required to provide their submissions on a CD or diskette in PDF format, along with two paper copies.

In responding to this Notice, please include the Board file number EB-2008-0113 in the subject line of your e-mail or at the top of your letter. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Address

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