

NOTICE OF APPLICATION AND HEARING FOR AN ELECTRICITY DISTRIBUTION RATE CHANGE

Hydro One Remote Communities Inc.

Hydro One Remote Communities Inc. ('Remotes') has filed an application with the Ontario Energy Board, (the "Board") received on August 15, 2008 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B), seeking approval for changes to the rates that Remotes charges for electricity distribution, to be effective May 1, 2009. The Board has assigned the application File No. EB-2008-0232. The Board's decision on this application may have an effect on all of Remotes' customers.

Any change to Remotes' distribution rates will cause Remotes' delivery charges to change. Delivery charges are one of four regular items on residential and general service customers' electric bills and vary depending on the amount of electricity consumed.

In its application, Remotes is seeking approval of \$45.236 million as the 2009 revenue requirement it requires to provide electricity distribution services, of which \$15.081 million is proposed to be recovered through customer rates leaving \$30.155 million to be recovered from Rural and Remote Rate Protection (RRRP). On an equivalent basis, this compares with a Board-approved level of \$35.551 million for 2006, the last year the rates were reviewed on a cost of service basis, of which \$21.1 million was recovered through RRRP.

Remotes indicates that if the application is approved as filed, year-round residential customers (R2) consuming up to 2,500 kWh per month would experience a 4.4% increase in their bill. For an average residential customer who consumes 1,157 kWh per month this is a \$4.83 per month increase on their bill. General Service Single Phase customers consuming up to 13,000 kWh per month would experience a 4.4% increase in their bill. For an average General Service Single Phase customer who consumes 1,608 kWh per month this is a \$7.35 per month increase on their bill.

The major items addressed by this application include: fuel cost increases; distribution costs; distribution revenues; costs related to the inclusion of Marten Falls in Remotes' service territory, the costs of an ongoing Conservation and Demand Management Program and implementing the third and final block of inclining rates.

How to see Remotes Application

Copies of the application are available for inspection at the Board's office in Toronto and on its website, www.oeb.gov.on.ca, and at Remotes office and may be on its website.

How to Participate

You may participate in this proceeding in one of three ways:

1. Send a Letter with your Comments to the Board

Your letter with comments will be provided to the Board members deciding the application, and will be part of the public record for the application. Your letter must be received by the Board no later than **30 days** from the publication or service date of this notice. The Board accepts letters of comment by either post or e-mail at the addresses below.

2. Become an Observer

Observers do not actively participate in the proceeding but monitor the progress of the proceeding by receiving documents issued by the Board. You may request observer status in order to receive documents issued by the Board in this proceeding. If you become an observer, you need to contact the applicant and others in order to receive documents that they file in this proceeding and they may charge you for this. Most documents filed in this application will also be available on the Board's website. Your request for observer status must be made in writing and be received by the Board no later than **10 days** from the publication or service date of this notice. The Board accepts observer request letters by either post or e-mail at the addresses below; however two paper copies are also required. You must also provide a copy of your letter to the applicant.

3. Become an Intervenor

You may ask to become an intervenor if you wish to actively participate in the proceeding. Intervenor status is eligible to receive evidence and other material submitted by participants in the hearing. Likewise, intervenors will be expected to send copies of any material they file to all parties to the hearing.

Your request for intervenor status must be made by letter of intervention and be received by the Board no later than **10 days** from the publication or service date of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the outcome of this proceeding; and if you represent a group, a description of the group and its membership. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

The Board intends to proceed with this application and other applications for a 2009 electricity distribution rate cost of service review by including an oral component. That component may be in the form of a technical conference or an oral hearing. The extent of the oral component of the proceeding will be determined on a case by case basis. This approach will enable the Board to address certain matters more effectively than would be possible in a proceeding conducted entirely on a written basis. If you object to the Board proceeding in this fashion, your letter of intervention must state the nature of the process you believe to be necessary and the reasons for undertaking such a process.

If you already have a user ID, please submit your intervention request 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 interventions 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 submit their intervention request on a CD or diskette in PDF format, along with two paper copies.

How to Contact Us

In responding to this Notice, please reference Board file number EB-2008-0232 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, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's website at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT FILE AN OBJECTION TO THE PROCESS AS OUTLINED OR DO NOT REQUEST TO PARTICIPATE IN THIS PROCEEDING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THIS PROCEEDING.

Addresses

The Board:

Post:
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4
Attention: Board Secretary

Filings : www.errr.oeb.gov.on.ca
E-mail: Boardsec@oeb.gov.on.ca

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

The Applicant:

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DATED at Toronto, September 23, 2008

ONTARIO ENERGY BOARD

Original Signed By

John Pickernell
Assistant Board Secretary