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Commission de l'énergie
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August 16, 2007

Iain Clinton, CA
Chief Financial Officer
Newmarket Hydro
590 Steven Court,
Newmarket Ontario L3Y 6Z2

Dear Mr. Clinton:

Re: Newmarket Hydro's 2008 Electricity Distribution Rate Application

The Board is in receipt of your letter of August 15 indicating a delay until October 15 in the filing of Newmarket Hydro's rate rebasing application for the 2008 rate year. Please be informed that the Board established the August 15 date based on an assessment of the number of applications for rebasing that are expected to be filed and the time required to process those applications. The goal was to allow sufficient time to process the applications in time for a change to distribution rates on May 1, 2008.

It is at the discretion of the applicant if they do not wish to file on the date specified. If Newmarket Hydro files its application on October 15, there could be a delay in processing the application to an extent that the effective date for new rates could be later than May 1, 2008. If that does occur, there is the possibility that the Board would have to consider the matter of rate retroactivity. As a matter of policy, the Board does not support retroactive rate setting; however, the unique circumstances of an individual case would prevail. Therefore, the matter of rate retroactivity would introduce another issue into the rate review for Newmarket Hydro's rate rebasing application.

Yours truly,


Peter H. O'Dell
Assistant Board Secretary