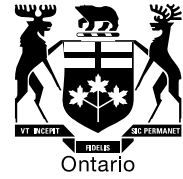


**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

November 14, 2008

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Crescent
P.O. Box 3240
North Bay ON P1B 8Y5

Dear Ms. Tennant:

**Re: North Bay Hydro Distribution Limited
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application
Board File Number EB-2008-0202**

This letter acknowledges the Board's receipt, on November 7, 2008, of your 2009 IRM application. The Board has assigned file number EB-2008-0202 to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

Your application does not follow the Board's guidelines for 2nd Generation Incentive Regulation Mechanism applications as it includes a request to change loss adjustment factors. The Board has determined that since this is not part of the IRM process, North Bay Hydro's application cannot be processed.

North Bay must re-file its application without the request to adjust loss factors. Alternatively, you may file a letter explaining why your application should be processed as filed.

The Board will resume processing your application upon receipt of an amended application or upon acceptance of your reasons for departing from the Board's filing guidelines. If the application or letter, as applicable, is not filed within 30 days of the date of this letter, the Board may close the file for this application.

Please file a complete revised application, removing the required item, or a letter, as applicable, with the Board Secretary. Please ensure that your filing is made in accordance with the Board's RESS Document Filing Guidelines.

Please direct any questions relating to this application to Martin Benum at 416-440-7667, or by e-mail at martin.benum@oeb.gov.on.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary