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

November 17, 2008

**Re: North Bay Hydro Distribution Limited 2009 IRM Rate Application
Board File Number EB-2008-0202**

Dear Ms. Walli:

This letter acknowledges receipt of the Board's letter of November 14, 2008 advising NBHDL the 2009 2nd Generation IRM Application cannot be processed as submitted without removing the request to update loss factors. Alternatively NBHDL could file a letter explaining why the application should be processed as submitted. NBHDL requests that the Board process the application as submitted.

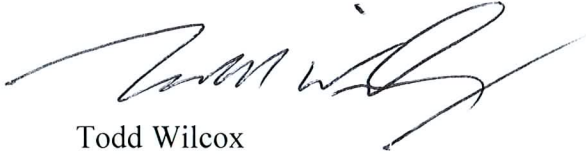
NBHDL last updated loss factors in 2001. In 2005 new metering was installed at all IESO administered supply points. This process was completed very early in 2008. Over the 2005-2007 period losses increased as per our submission. NBHDL believes that the new electronic metering was more accurate than the older mechanical metering that was replaced. The mechanical metering was placed in service in the 1960's and 70's. The older loss factor resulted in significant increases to variance accounts. This is the background with respect to why loss factors must be updated.

This request was included with NBHDL's 2009 2nd Generation IRM Application since it is NBHDL's desire to have this change effective on the same date as the new rates requested in the IRM Application. This will help to minimize confusion to customers and reduce customer education and notification costs.

In September and October 2008 NBHDL consulted with OEB staff about how and when to request approval to update loss factors. NBHDL was advised about two methodologies including filing together or separately. A decision was made to file together to make notification and education easier for customers. If NBHDL had received an indication from Board staff that filing separately was the only option then this direction would have been respected.

NBHDL is committed to working with OEB staff to expedite the review and approval process. Please let NBHDL know how it might assist in this regard.

Yours truly,

A handwritten signature in black ink, appearing to read 'Todd Wilcox', with a stylized, flowing script.

Todd Wilcox
President & Chief Operating Officer