

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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BY E-MAIL ONLY

November 18, 2008

Jane Scott
Hydro Ottawa Limited
3025 Albion Road N.
P.O. Box 8700
Ottawa ON K1G 3S4

Dear Ms. Scott:

**Re: Hydro Ottawa Limited
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application
Board File Number EB-2008-0188**

This letter acknowledges the Board's receipt, on November 7, 2008, of your 2009 IRM application. The Board has assigned file number EB-2008-0188 to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

The Board notes your request for a new deferral account for the transition of utility accounting from Canadian GAAP to International Financial Reporting Standards (IFRS) and that the Board amends the Accounting Procedures Handbook (APH) to prescribe such an account. The proposed IFRS deferral account is of general sector applicability; it is not exclusive to the applicant. As such, this matter requires a sector-wide approach through the APH or direction by the Board through another instrument. As there already are applications before the Board to consider this matter on a generic basis, the Board will not hear this part of Hydro Ottawa's application in the EB-2008-0188 proceeding, and reduces the scope accordingly.

As your application includes requests regarding recovery of Lost Revenue Adjustment Mechanism (LRAM) and Shared Savings Mechanism (SSM) amounts, the application goes beyond the typical IRM format and the Notice and process will reflect this. The Notice will also make provision for interventions, and indicate that any intervenors eligible for costs will be awarded costs. Given that the application indicates that the LRAM and SSM amounts are in accordance with the Board's Guidelines for Electricity Distributor Conservation and Demand Management (the "CDM Guidelines"), the Board expects that it may be able to render a decision and/or order on or about March 20,

2009. Should it be determined that the LRAM and SSM amounts are not in accordance with the CDM Guidelines, additional time may be required.

The Board will issue further correspondence indicating the next steps to be taken in this matter and corresponding dates.

Please direct any questions relating to this application to Michael Bell, Advisor at (416) 440-7688, or by e-mail at Michael.Bell@oeb.gov.on.ca.

Yours truly,

Original signed by

Kirsten Walli,
Board Secretary