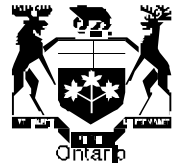


**Ontario Energy
Board**
P.O. Box 2319
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2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
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BY E-MAIL

November 11, 2008

Mr. Andrew Skalski
Director – Applications
Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto ON M5G 2P5

Mr. Doug Bradbury
Director – Regulatory Affairs
Cornwall Street Railway Light and Power
Company Limited
1130 Bertie Street
P.O. Box 1218
Fort Erie ON L2A 5Y2

LETTER OF DIRECTION

Dear Mr. Skalski and Mr. Bradbury:

**Re: Application for Licence Amendments, Sale of Distribution Assets and
Request for Interim Exemptions from Section 6.5.4 of the Distribution
System Code – Board File No. EB-2008-0329**

The Ontario Energy Board has now issued its Notice of Application with respect to the above application. Please note that you must publish the Notice within fourteen days of the date of this letter. If publication is impossible within fourteen days, you must inform the Board Secretary immediately.

You are directed:

1. To immediately have the Notice posted on the applicants' websites.

- 2 -

2. To immediately serve a copy of the Notice and a suitable cover letter, in person, by courier or by registered mail, upon the 29 customers that are the subject of the above referenced application. You should use the sample letters attached as appendices A and B to this Letter of Direction as the format for the suitable notification letter to the 29 customers as follows:
 - Appendix A to be used as the format for the letter to be sent to the 10 customers that the applicants propose to transfer from Hydro One to Cornwall Electric;
 - Appendix B to be used as the format for the letter to be sent to the 19 LTLT customers that Cornwall Electric proposes to retain.
3. To file with the Board affidavit evidence proving the above service immediately upon completion, with original post office registration receipts (where applicable), or courier confirmation lists attached as appendices.
4. To immediately have copies of the application made available for public review at the applicant's head office.
5. To immediately provide a copy of the application to any person upon request.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Encl.

Appendix A

Sample letter to the 10 customers that the applicants propose to transfer from Hydro One to Cornwall Electric

YOUR ELECTRICITY DISTRIBUTOR MAY BE CHANGING

Dear customer:

Your electricity distributor, Hydro One Networks Inc. ("Hydro One"), filed an application with the Ontario Energy Board requesting a transfer of your service to Cornwall Street Railway Light and Power Company Limited ("Cornwall Electric"). You are not required to take any action in response to this letter but you may wish to let the Ontario Energy Board know of any concerns you may have about the application.

As you know, you are currently a customer of Hydro One and receive your electricity bills from Hydro One. However, you may not know that your electricity is supplied by Cornwall Electric. You are within one electricity distributor's service area but are actually served electricity from a second electricity distributor. This arrangement is known as a long term load transfer.

The Ontario Energy Board requires electricity distributors to eliminate long term load transfer arrangements before January 31, 2009.

Both Hydro One and Cornwall Electric have applied to the Board for an order approving your transfer to Cornwall Electric. If the Board approves the transfer, you will become a customer of Cornwall Electric and your electricity rate may change – you will be supplied and billed by Cornwall Electric.

An official Notice of Application was issued by the Board, a copy of which is attached to this letter. The notice contains information about how to participate in the proceeding associated with the application.

If you have any questions about this letter, please call (name of person) at Hydro One at (phone number).

Appendix B

Sample letter to the 19 LTLT customers that Cornwall proposes to retain

**APPLICATION TO THE ONTARIO ENERGY BOARD BY YOUR
ELECTRICITY DISTRIBUTOR
EB-2008-0329**

Dear customer:

Your electricity distributor, Cornwall Street Railway Light and Power Company Limited ("Cornwall Electric"), filed an application with the Ontario Energy Board requesting a continuation of the way in which your electricity is currently supplied. You are not required to take any action in response to this letter but you may wish to let the Ontario Energy Board know of any concerns you may have about the application.

As you know, you are currently a customer of Cornwall Electric and are billed for electricity by Cornwall Electric at its approved rates. However, you may not know that your electricity is supplied by Hydro One Networks Inc. ("Hydro One"). You are within one electricity distributor's service area but are actually served electricity by a second electricity distributor. This arrangement is known as a long term load transfer.

The Ontario Energy Board requires electricity distributors to eliminate long term load transfer arrangements before January 31, 2009. However, Cornwall Electric applied to the Board for an order allowing it to continue its long term load transfer arrangement with Hydro One for some customers beyond January 31, 2009 to allow Cornwall Electric to make necessary arrangements to supply those customers directly.

In your case, Cornwall Electric intends to supply you directly within approximately one year. Cornwall Electric would continue to serve your electricity needs, at the rates that are approved for Cornwall Electric, as is the case at present.

An official Notice of Application was issued by the Board, a copy of which is attached to this letter. The Notice contains information about how to participate in the proceeding associated with the application.

If you have any questions about this letter, please call <name of person> at Cornwall Electric at <phone number>.