

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

November 25, 2008

Noreen Clement
Espanola Regional Hydro Distribution Corporation
598 Second Avenue
Espanola, ON P5E 1C4

Dear Ms. Clement:

**Re: Espanola Regional Hydro Distribution Corporation
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application
Board File Number EB-2008-0173**

This letter acknowledges the Board's receipt, on November 11, 2008 of your 2009 IRM application. The Board has assigned file number EB-2008-0173 to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

The Board notes that your application includes a request for an adjustment to your 2009 revenue requirement for the recovery of payments in lieu of taxes ("PILs"). This goes beyond the intended 2009 IRM format and amounts to a request to adjust your approved revenue requirement as determined in your 2008 cost of service rate case (EB-2007-0901). The Board will not hear this part of Espanola's application in the EB-2008-0173 proceeding and reduces the scope accordingly.

The Board will issue further correspondence indicating the next steps to be taken in the IRM matter and corresponding dates. Based on the Board's experience with applications of this nature, the Board expects that it may be able to render a decision and/or order on or about March 24, 2009.

Please direct any questions relating to this application to John Vrantsidis, Policy Advisor at (416) 440-8122, or by e-mail at John.Vrantsidis@oeb.gov.on.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

c: Jennifer Uchmanowicz