



Regulatory & Financial Services
Tel: (519) 745-4771
Fax: (519) 745-2360

December 8, 2008

BY EMAIL

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: Review Initiative: Account 1562, Deferred Payments in Lieu of Taxes (“PILS”)
Board File No. EB-2008-0381 (formerly EB-2007-0820)**

Dear Ms. Walli:

On November 28, 2008, the Ontario Energy Board (the “Board”) issued the Notice and Procedural Order No. 1 to examine outstanding issues with respect to historical variances arising from the recording of PILS by electricity distributors subject to section 93 of the *Electricity Act, 1998*. The process was initiated so that the Board can confirm the methodology that should be used for the calculation and disposition of the balances in account 1562 Deferred PILS arising from transactions in the years 2001 - 2006. In its communication to all licensed electricity distributors and intervenors in the 2008 and 2009 electricity distribution rate proceeding, the Board outlined the process that will be followed during this review.

Kitchener-Wilmot Hydro Inc. (“KWHI”) is requesting intervenor status in this review initiative. As a licensed electricity distributor, KWHI pays PILS and has recorded balances in account 1562. As a result, KWHI and its customers will be directly affected by the results of this review. KWHI would not be requesting cost eligibility in this process. Contact information is as follows:

Margaret Nanninga, MBA, CGA
Manager of Regulatory and Financial Services
mnanninga@kwhydro.on.ca
Phone: (519) 745-4774 Ext. 220
Fax: (519) 745-3631

Respectfully submitted,

Original Signed by

Margaret Nanninga, MBA, CGA
Manager of Regulatory and Financial Services

cc Jerry Van Ooteghem, President and CEO
Gerry Guthrie, Vice President Finance and CFO

Kitchener-Wilmot Hydro Inc. a wholly owned Corporation of the City of Kitchener and Township of Wilmot