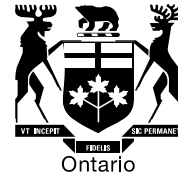


**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'Énergie
de l'Ontario**
C.P. 2319
26em étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

December 20, 2006

Mr. Glen MacDonald
Senior Advisor – Regulatory Affairs
Hydro One Networks Inc.
8th Floor, South Tower
Toronto, ON M5G 2P5

Dear Mr. MacDonald:

**Re: Hydro One Networks Inc. – 2007 and 2008 Electricity Transmission Rates
Application - Board File Number EB-2006-0501**

The Board has issued its Procedural Order No. 2 in the above matter and an executed copy is attached.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

c. All Intervenors and Observers in the EB-2006-0501 proceeding

Encl.