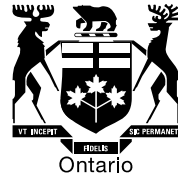


Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27^e 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 ONLY

May 2, 2007

Gaye-Donna Young
Chief Operating Officer
Newmarket Hydro Ltd.
590 Steven Court
Newmarket, ON L3Y 6Z2

LETTER OF DIRECTION

Dear Ms. Young:

Re: Combined Proceeding
Board File No. EB-2007-0063

The Ontario Energy Board has now issued a Notice of Combined Proceeding, attached, relating to a Combined Proceeding to determine issues related to the recovery of costs incurred by distributors and associated with authorized discretionary metering activities. In addition to the directions to you below, further public notice will be published by the Board in the Globe and Mail and Le Droit shortly.

The Board has combined the determination of cost recovery for the smart metering activities for all thirteen distributors authorized to conduct discretionary metering activities because the majority of issues to be considered in making a determination are common to all thirteen.

As one of the thirteen distributors, you will be required to participate in the combined proceeding. You will be considered a party in the combined proceeding and will be responsible for a portion of any costs awarded as a result of that proceeding.

You are directed:

1. To arrange immediately for the enclosed English version of the Notice, headed with the Ontario government logo and the words "Ontario Energy Board", to be published in one issue of the English language newspaper having the highest paid circulation, according to the best information available, in Newmarket Hydro Ltd.'s service area;

(Note: Please make it clear that invoices regarding publication are not to be sent to the Board.)

2. If Newmarket Hydro Ltd. is a Host Distributor, to immediately, and no later than the date of publication of the Notice, serve a copy of the Notice directly on its Embedded Distributor(s);
3. To file with the Board an affidavit proving publication and, where applicable, service of the Notice immediately thereafter;
4. To make a copy of the evidence, and any amendments thereto, available for public review at Newmarket Hydro Ltd.'s office and on its website, if available; and,
5. To provide a copy of the evidence, and any amendments thereto, to anyone requesting the material.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Enclosures