



March 7, 2011

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4
Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**RE: TILLSONBURG HYDRO INC.
2011 IRM3 DISTRIBUTION RATE APPLICATION EB-2010-0116
REPLY SUBMISSION**

In accordance with the Notice of Application and Written Hearing in Tillsonburg Hydro Inc.'s ("THI") 2011 IRM3 Distribution Rate Application, [EB-2010-0016], please find enclosed THI's Reply Submission [Exhibit J]. The Reply Submission responds to both Board Staff's Submission and the Vulnerable Energy Consumers Coalition ("VECC") Submission.

Should you have any questions or require further information, please do not hesitate to contact me.

Yours truly,

A handwritten signature in blue ink, appearing to be "W. John Gott", with a long horizontal line extending to the right.

W. John Gott, CA
Finance Regulatory Affairs Manager

CORPORATE OFFICE

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Response to Board Staff Submission

Revenue to Cost Ratio Adjustments

Board Staff submitted that "Tillsonburg's revisions to its revenue-to-cost ratio calculation for 2011 are appropriate. Board Staff submits that the proposed revenue-to-cost ratio adjustments are in accordance with the Board's findings in its EB-2008-0246 Decision and Order". THI notes that Board Staff is in agreement with THI's calculations and THI has nothing further to add.

Deferral and Variance Account Disposition

Board Staff submitted that "no material differences between the principal amounts applied for disposition as of December 31, 2009 and the amounts reported as part of the Reporting and Record-keeping Requirements ("RRR")." And, that "the amounts should be disposed on a final basis. Board Staff also submits that Tillsonburg's proposal for a one year disposition period for its Group 1 account balances is in accordance with the EDDVAR Report." THI notes that Board Staff is in agreement with THI's application for disposition and THI has nothing further to add

Response to VECC Submission

Revenue to Cost Ratio Adjustments

VECC submitted that the revenue-to-costs rate adjustments THI provided were appropriate, subject to Board Staff confirmation. THI submits that Board Staff has provided this confirmation in its submission as noted above. Therefore, since both VECC and Board Staff are in agreement with the proposed revenue-to-costs ratio adjustments, THI has nothing further to add.