



April 27, 2009

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

Dear Ms. Walli:

Re: EB-2008-0227, Draft Rate Order, Calculations

On April 27, 2009, Board Staff filed 3 questions for EWU. These questions sought confirmation that the Draft Rate Order was correct, despite the fact that the numbers appear to "differ slightly" from the amounts set out in the Settlement Agreement.

A) Income Tax

EWU has enclosed as Attachment 1 the final PILs model used to calculate deemed income tax for the 2009 test year.

The results of this PILs model differ slightly from the PILs calculated in the Settlement process predominantly because of the change to the effective tax rate (to update for the most current rate) and the change to the deemed interest expense (to update for the most current rate). There are also some "flow-through" implications to PILs resulting from other changes to expenses. In total, the result is a decrease of less than a percentage point of the revenue requirement and the decrease is to the benefit of ratepayers.

B) Residential Volumetric Charge

The \$0.0003 increase to the volumetric charge in the Draft Rate Order as compared to the Settlement Agreement is a function of revenue reconciliation, not the revenue requirement decrease of approximately \$6,000.

C) Revenue Reconciliation

EWU has enclosed as Attachment 2 the final revenue reconciliation used to calculate rates for the 2009 test year.

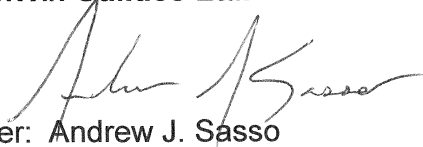
The results of this reconciliation differ slightly from the Settlement Agreement exclusively because of the adoption of the "VECC 29b" methodology for reflecting the transformation ownership allowance in cost allocation. EWU attempted to reflect this methodology in the Settlement Agreement. Further consultation with VECC's consultant

and EWU's own consultants refined the accuracy of incorporating the agreed-upon methodology into the rate model.

All of the principles agreed to in the Settlement Agreement and the Orders of the Board as set out in its Decision have been properly reflected in the Draft Rate Order.

Yours very truly,

ENWIN Utilities Ltd.

A handwritten signature in black ink, appearing to read "Andrew J. Sasso", is written over the printed name.

Per: Andrew J. Sasso
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