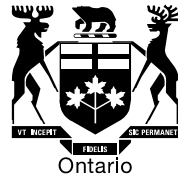


**Ontario Energy
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BY E-MAIL

April 21, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Festival Hydro Inc.
2010 Cost of Service Distribution Rate Application
Board File Number EB-2009-0263**

Please find enclosed Board Staff's comments on the draft Rate Order filed by Festival Hydro Inc. on April 15, 2010. Please forward the following to Festival Hydro Inc. and all other registered parties to this proceeding.

Yours truly,

Original signed by

Violet Binette
Project Advisor, Applications & Regulatory Audit