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Michael Millar
Email: Michael.millar @oeb.gov.on.ca

BY EMAIL

June 24, 2010

Mr. Robert Barlow
10416 22nd Side Road
Limehouse, Ontario
L0P 1H0

Dear Mr. Barlow,

**Re: Hydro One Networks Inc.
Bruce to Milton -Leave to Construct Transmission Project
Board File No. EB-2007-0050**

I have reviewed your letter to the Board dated June 21, 2010, in which you make reference to a discussion we had over the lunch break at the Issues Day on June 10, 2010.

I feel it is important to clarify the record regarding the content of that discussion. Your letter states:

On June 10, 2010 at the OEB Expropriation Hearing in Orangeville, Mr. Michael Millar was asked the question "that if the line was not approved, then how would the ratepayers of the Province recover the funds spent to date." He replied that they (HONI) would be able to recover the funds. How is this possible when the citizens of Ontario own HONI? Mr. Millar simply shrugged his shoulders and left without providing an answer.

Your letter does not accurately describe our conversation. During the lunch break, you asked me how HONI could spend money on the Bruce-Milton transmission line prior to all of the conditions in the leave to construct order being satisfied. In particular you noted that HONI's approval from the Niagara Escarpment Commission was under appeal. I told you that the current expropriation proceeding is not a rates proceeding,

and that to the extent that HONI sought to recover its expenditures it would require the Board's approval through a rates proceeding. I further indicated that if the project ultimately did not go forward, the Board indeed might not approve recovery of those expenditures from ratepayers. You noted that HONI is wholly owned by the Provincial government, and therefore ultimately any losses incurred by HONI would presumably be covered by taxpayers. I indicated that this is not something over which the Board has any control, but I re-iterated that to the extent the Board found that any expenditures were imprudent, it would not authorize their recovery from ratepayers. At no time did I make a blanket statement that "HONI would be able to recover the funds."

I trust that this clarifies matters. In the future I suggest we conduct any communications in writing to ensure there are no further misunderstandings.

Sincerely,

Original Signed By

Michael Millar

cc: Gordon Nettleton, Hydro One Networks Inc.