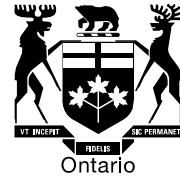


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BY E-MAIL ONLY

December 21, 2010

James Huntingdon
Niagara-on-the-Lake Hydro Inc.
8 Henegan Road, P.O. Box 460
Virgil ON L0S 1T0

Dear Mr. Huntingdon:

**Re: VECC Request for Intervenor Status
Niagara-on-the-Lake Hydro Inc.
Application for Approval of 2011 Electricity Distribution Rates
Board File No. EB-2010-0101**

On October 27, 2010, the Board issued its Letter of Direction and Notice of Application and Hearing (the "Notice") for Niagara-on-the-Lake Hydro Inc. ("NOTL"). The Notice also set out that written interrogatories were to be filed with the Board and delivered to NOTL on or before December 8, 2010.

On November 29, 2010, the Board received a Notice of Intervention from the Vulnerable Energy Consumers Coalition ("VECC") in the above noted proceeding.

On December 2, 2010, the Board sent a letter to VECC confirming their eligibility as intervenor subject to NOTL's right of reply within 14 calendar days.

On December 13, the Board received a letter from NOTL objecting to VECC's request. NOTL questioned whether the two organizations represented by VECC, the Federation of Metro Tenants Association and the Ontario Coalition of Senior Citizens' Organizations were actually represented within the Town of Niagara-on-the-Lake. NOTL also questioned the value added that VECC could provide to NOTL's ratepayers with respect to the 2011 IRM LRAM and recommended that the Board reconsider granting intervenor status based on the lack of proven representation in the community and the excess scrutiny of the data in comparison to the materiality of the LRAM component in the application.

On December 16, 2010, VECC responded to NOTL's objection. VECC noted that NOTL had made a similar request with regards to its intervention in NOTL's 2008 rebasing application (EB-2008-0237), and that the Board had accepted VECC's intervention at that time.

The Board has considered NOTL's objection and VECC's response and confirms VECC as an intervenor in this proceeding, as well as its cost eligibility status. In making this decision, the Board notes that VECC represents seniors across Ontario including seniors in the Town of Niagara-on-the-Lake.

The Board recognizes that the costs of an intervention can be relatively significant for a smaller utility such as NOTL. The Board notes that the cost awards and therefore cost claims should recognize the financial ability of distributors to pay those costs. As it did in NOTL's 2008 rebasing application, the Board will take these concerns into account when granting any cost award to VECC at the completion of this proceeding.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

cc: Michael Buonaguro, Public Interest Advocacy Centre
Bill Harper, Econalysis Consulting Services