Ontario

BY E-MAIL

December 22, 2010

Dennis Higgs
Director of Operations
O.N.Tel Inc.
555 Oak Street East
North Bay, ON P1B 8L3

Dear Mr. Higgs:

**Re: Application for an Electricity Wholesaler Licence
         Board File Number EB-2010-0375**

The Board has reviewed your application to renew your electricity wholesaler licence. Your application is currently incomplete and cannot be processed until the following has been filed:

1. Your current electricity wholesaler licence expired on June 26, 2007. Until such time as a final decision is made by the Board with respect to your licence application, please file a written request to the Board for an interim licence. Please include reasons why as an active IESO market participant, your company has been operating without an electricity wholesaler licence.

2. Page 2 of your application is missing. Please complete page 2 of the application and file it with the Board.

3. Please provide a copy of your corporate organizational chart.

4. With respect to Question 9, Finance, you submitted Ontario Northland Transportation Commission's ("ONTC") audited financial statements for the year ended March 31, 2010 only. Is ONTC the parent company? If yes, please note that a parental guarantee is also required along with two current fiscal years of financial statements. For your convenience, a copy of the Board's parental guarantee template is attached.

The Board will resume processing your application once the above information has been filed. If the above information is not filed within 30 days of the date of this letter, the Board may close the file for this application.

Upon receipt of the required information the Board will issue an acknowledgement letter indicating the expected date on which a decision and/or order may be rendered.

Please file two paper copies of the additional material and an electronic version in Word and in searchable Adobe Acrobat (if available) with the Board Secretary. Electronic copies may be submitted on CD or by e-mail to boardsec@oeb.gov.on.ca.

Please direct any questions relating to this application to Julie Doherty, Advisor at +1 (416) 440-8133 or e-mail, Julie.Doherty@oeb.gov.on.ca.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

**Guarantee in support of application
to the Ontario Energy Board for issuance of an electricity wholesaler licence**

Whereas [Guarantor] is the ultimate parent of [Licence Applicant];

And whereas [Licence Applicant] has applied to the Ontario Energy Board for an electricity wholesaler licence (EB-200X-XXXX) (the "Licence");

[Guarantor] hereby irrevocably, absolutely, and unconditionally guarantees to the Ontario Energy Board ("OEB") the due, punctual, and full performance and observance by [Licence Applicant] and its successors and assigns of all payment of sums owed by [Licence Applicant] to meet financial obligations entered into under the Licence (hereinafter referred to as the "Guaranteed Obligations").

If for any reason whatsoever [Licence Applicant] shall fail or be unable to duly, punctually, and fully perform or observe any such Guaranteed Obligation, [Guarantor] shall perform or observe such Guaranteed Obligation or cause such Guaranteed Obligation to be performed or observed, without regard to any exercise or non-exercise by OEB of any right, power or privilege under or in respect of the Licence or the Guaranteed Obligations. This Guarantee shall be direct, immediate, and primary and is not conditioned or contingent upon any demand on, or upon any other event, contingency or circumstances whatsoever or on OEB having made any demand on [Guarantor] pursuant to the Licence.

[Signature]

_____
[Title of Signing Officer]
[Guarantor]

I have authority to bind the corporation.

[Date]