

Ministry of Energy

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February 24, 2011

Mr. Paul Ferguson
President
Newmarket Tay Power Distribution Ltd.
590 Steven Court
Newmarket ON L3Y 6Z2

RECEIVED

FEB 28 2011

Newmarket Hydro

Dear Mr. Ferguson:

I am writing to you today regarding the Ontario Energy Board's recent decision and order related to Local Distribution Companies' (LDCs) recovery of costs and damages arising from the April 2010 Ontario Superior Court of Justice ruling on the late payment penalty class action lawsuit.

As you know, the Ontario Energy Board ruled that LDCs could recover their costs and damages from their ratepayers.

However, as a matter of fairness and a show of good faith to the ratepayers of Ontario I have requested that Hydro One and its subsidiaries not recover these costs from their ratepayers, but rather that they find efficiencies internally to manage them.

I would strongly urge you to make the same good faith gesture to your customers, and I am hopeful that you will be able to manage these costs internally.

Thank you for your serious consideration of this request and for your ongoing work to serve the people of Ontario.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Duguid".

Brad Duguid
Minister