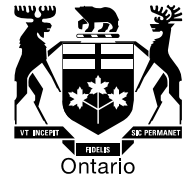


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BY E-MAIL ONLY

April 14, 2011

**To: Hydro One Networks Inc.
Ontario Power Authority
Canadian Manufacturers & Exporters**

**Re: Application by Ontario Waterpower Association to Amend the Distribution
Licence of Hydro One Networks Inc.**

Board File Number EB-2011-0067

On March 11, 2011, the Ontario Waterpower Association (the "OWA" or the "Applicant") filed an application with the Ontario Energy Board (the "Board") under section 74(1)(b) of the *Ontario Energy Board Act, 1998* (the "Act") to amend the distribution licence of Hydro One Networks Inc. ("Hydro One") to exempt Hydro One from sections 6.2.4.1(e)(i) and 6.2.18(a) of the Distribution System Code (the "DSC") for waterpower generation facilities and to substitute a special rule for waterpower generation facilities.

The Board issued a Notice of Application and Hearing and Procedural Order No. 1 (the "Notice") on March 30, 2011. The following parties requested and are hereby granted intervenor status in this proceeding: Hydro One Networks Inc., Ontario Power Authority and Canadian Manufacturers & Exporters ("CME").

CME has also applied for cost eligibility in this proceeding. The Board confirms that CME is eligible to apply for an award of costs under the Board's Practice Direction on Cost Awards subject to OWA's right to object within **7 days** from the date of this letter.

The Board recognizes that Interrogatories on the Applicant's pre-filed evidence are due by April 18, 2011 which precedes the date by which the Applicant has to file objections, if any, to CME's eligibility to apply for cost awards. The Board also acknowledges CME's position as stated in its letter of April 6, 2011 that its "ability to actively participate in this proceeding is dependent upon a determination that it is eligible for a Cost Award".

Please be advised that all filing and hearing dates setout in the Notice remain in effect.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

cc: Paul Norris
OWA

Scott Stoll
Applicant's Counsel