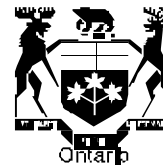


**Ontario Energy
Board**
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

June 22, 2011

Ms. Anne-Marie Reilly
Senior Regulatory Coordinator
Hydro One Networks Inc.
8th floor, South Tower
483 Bay Street
Toronto, ON M5G 2P5

LETTER OF DIRECTION

Dear Ms. Reilly,

**Re: Application by Hydro One Networks Inc. for a Six Month Exemption from the Timelines for the Connection of Micro-Embedded Generators
Board File Number EB-2011-0118**

The Ontario Energy Board has completed a preliminary review of your application.

Accordingly, the Board has now issued its Notice of Application and Written Hearing relating to your application for a six month exemption from the obligations in Section 6.2.6 and 6.2.7 of the Distribution System Code. The Board has posted the English and French versions of the Notice on its website.

You are directed:

1. To arrange immediately for the enclosed English version of the Notice, headed with the Ontario government logo and the words "Ontario Energy Board", to be posted on the page on Hydro One's website specifically related to micro-embedded generation requirements by June 29, 2011;
2. To arrange immediately for the enclosed French version of the Notice headed with the Ontario Government logo and the words "Commission de l'énergie de l'Ontario", to be posted on the page on Hydro One's website specifically related to micro-embedded generation requirements by June 29, 2011;

3. To arrange immediately for a copy of the application and evidence to be posted on the page on Hydro One's website specifically related to micro-embedded generation requirements by June 29, 2011.
4. To immediately have the English version of the Notice published, headed with the Ontario Government logo and the words "Ontario Energy Board", in one issue of the *Globe & Mail* newspaper.
5. To immediately have the French version of the Notice published, headed with the Ontario Government logo and the words "Commission de l'énergie de l'Ontario", in one issue of *Le Droit* newspaper.

Please note: Invoices regarding publication are not to be sent to the Board.

6. To immediately serve a copy of the Notices through email upon all licensed electricity distributors;
7. To immediately serve a copy of the Notice, by e-mail on each micro-embedded generator that has submitted an application to Hydro One to be connected to Hydro One's distribution system and that Hydro One has not, as of the date of the Notice, connected in accordance with the requirements set out in Section 6.2.6 and 6.2.7 of the Distribution System Code ("DSC"). Please note this does not apply to the following:
 - a. micro-embedded generators that Hydro One has connected;
 - b. micro-embedded generators that were refused connection prior to the date of Notice;
 - c. micro-embedded generators that have withdrawn their application with Hydro One;
 - d. micro-embedded generators that have allowed their offers to connect from Hydro One to expire.

If e-mail is not available, the Notice should be served by registered mail or by courier to the last known address on record with Hydro One.

8. To provide a copy of the Notice and a cover letter (the "Cover Letter") as described below, by email to each micro-embedded generator that applies to connect to Hydro One's distribution system after Hydro One has fulfilled the all of the requirements of this Letter of Direction, but prior to a Decision and Order being issued by the Board in this matter. If e-mail is not available, the Notice should be served by registered mail or by courier to the last known address on record with Hydro One.

The Cover Letter shall be on Hydro One letterhead and shall read as follows:

The Ontario Energy Board ("Board") has commenced a hearing as described in the attached Notice. Hydro One published and served the Notice in accordance with the Board's directions on *{Hydro One to insert the date on which it fulfilled all requirements of the Letter of Direction dated June XX, 2011}*. As such, this hearing is well underway. If you are interested in participating in the proceeding, the Board may accept a late request to participate (by way of letter of comment, observer status or intervention as described in the attached Notice). If you need more information, please contact Hydro One at 1-877-447-4412).

9. To immediately serve a copy of the Notices through email to the Ontario Power Authority and request it post it on its website specifically in the section relating to the Ontario Power Authority's MicroFIT program.
10. To immediately serve a copy of the Notice, through email upon the participants who provided written comments prior to October 21, 2009 to the Board's Notice of Revised Proposed Amendments to the Distribution System Code [EB-2009-0077], namely:
 1. Association of Major Power Consumers in Ontario (AMPCO)
 2. Association of Power Producers of Ontario (APPrO)
 3. Canadian Manufacturers and Exporters (CME)
 4. Canadian Wind Energy Association (CanWEA)
 5. Coalition of Large Distributors (CLD)
 6. Electricity Distributors Association (EDA)
 7. London Property Management Association (LPMA)
 8. Northwatch
 9. Ontario Power Authority (OPA)
 10. Powerbase Energy Systems Inc.
 11. Power Workers Union (PWU)
 12. Vulnerable Energy Consumers Coalition (VECC)
 13. Agri-Energy Producers' Association of Ontario (APAO)
 14. City of Toronto
 15. Consumers Council of Canada (CCC)
 16. Federation of Ontario Cottagers' Association
 17. Gengrowth Renewables
 18. Ledgecroft Farms
 19. National Chief's Office (NCO)
 20. Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)

- 21. Ontario Waterpower Association (OWA)
- 22. ORTECH Power
- 23. Pierre Beaulnes
- 24. Pollution Probe
- 25. School Energy Coalition (SEC)
- 26. Xeneca Power Development

- 11. To inform the Board by way of letter directed to the Board Secretary that the notice and application have been posted on your website and prove the above publication and service (excluding the requirement in paragraph #8 above) immediately upon completion, with original post office registration receipts (where applicable), or courier confirmation lists attached as appendices.
- 12. To make a copy of the application and evidence, and any amendments thereto, available for public review at Hydro One Networks Inc.'s offices; and
- 13. To provide a copy of the application and evidence, and any amendments thereto, to anyone requesting the material.

You are further directed not to include any document(s) or material(s) when serving the Notice other than document(s) or material(s) expressly required by this Letter of Direction to be served.

All correspondence to the Board regarding this matter must quote file number EB-2011-0118 and must consist of one electronic copy e-mailed to BoardSec@ontarioenergyboard.ca and two hard copies filed with the Board Secretary.

NOTE: IF YOU ARE UNABLE TO POST THE NOTICE ON YOUR WEBSITE AS DIRECTED BY JUNE 29, 2011 OR YOU ARE UNABLE TO SERVE A COPY OF THE NOTICE AS DIRECTED, YOU MUST INFORM THE BOARD IMMEDIATELY BY WAY OF LETTER DIRECTED TO THE BOARD SECRETARY.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Enclosures