

May 11, 2012

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Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700
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On January 1, 2012, Macleod Dixon joined
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EB-2012-0072

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Dear Ms. Walli:

**Natural Resource Gas Limited
Aylmer Franchise EB-2012-0072**

We are counsel to Natural Resource Gas Limited ("NRG"). Further to the Board's Procedural Order No. 1 dated May 1, 2012 in the above-noted proceeding, this letter is to provide the Board with an update on the status of franchise renewal negotiations between NRG and the Town of Aylmer.

NRG and the Town continue to engage in discussions, and the latest offer between the two parties will be considered at scheduled municipal meetings next week (the latest being on May 17, 2012). I spoke to Mr. Tunley (counsel for the Town) this morning, and we would propose to next update the Board on the status of negotiations during the week of May 21 to 25, 2012.

Yours very truly,

Original signed by

Richard King

RK/mnm

Cop(y/ies) to: B. Cowan and L. O'Meara (NRG)
J. Reynaert (Town Administrator)
P. Tunley (Counsel to Town)
C. Kilby (Norton Rose)
All Intervenors in the Proceeding

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