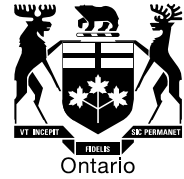


**Ontario Energy
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BY E-MAIL

October 2, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Ste. 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Niagara-on-the-Lake Hydro Inc.
2012 Application for Disposition of Account 1562 – Deferred PILs
Comments on Draft Rate Order
Board File No. EB-2012-0026**

Please find attached Board Staff's comments on the draft Rate Order filed by Niagara-on-the-Lake Hydro Inc. on September 27, 2012.

Sincerely,

Original signed by

Daniel Kim
Analyst – Applications & Regulatory Audit

Encl.

**Niagara-on-the-Lake Hydro Inc. (“NOTL”)
2012 Application for Disposition of Account 1562 (EB-2012-0026)**

Board Staff Comments on Draft Rate Order

On September 20, 2012, the Board issued its Decision and Order (the “Decision”) on NOTL’s PILs application. The Decision required the Applicant to submit its draft Rate Order within seven days of the issuance of the Decision. The Applicant submitted its draft Rate Order and supporting documentation on September 27, 2012.

Board staff accepts NOTL’s revised Account 1562 Deferred PILs balance of a credit of \$230,864 and agrees that NOTL has appropriately reflected the Board’s findings in all areas of the Decision.