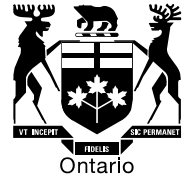


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BY E-MAIL

October 19, 2012

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

Dear Ms. Walli:

**Re: Parry Sound Power Corporation
2012 Application for Disposition of Account 1562 – Deferred PILs
Comments on Draft Rate Order
Board File No. EB-2012-0229**

Please find attached Board Staff's comments on the draft Rate Order filed by Parry Sound Power Corporation on October 16, 2012.

Sincerely,

Original signed by

Daniel Kim
Analyst – Applications & Regulatory Audit

Encl.

**Parry Sound Power Corporation (“Parry Sound Power”)
2012 Application for Disposition of Account 1562 (EB-2012-0229)**

Board Staff Comments on Draft Rate Order

On October 4, 2012, the Board issued its Decision and Order (the “Decision”) on Parry Sound Power’s Account 1562 Deferred Payments in Lieu of Taxes (“PILs”) application. The Decision required Parry Sound Power to submit its draft Rate Order within seven days of the issuance of the Decision. Parry Sound Power submitted its draft Rate Order and supporting documentation on October 16, 2012. Parry Sound Power filed a bill impact analysis on October 17, 2012 and filed its proposed Tariff of Rates and Charges on October 18, 2012. On October 19, 2012, Parry Sound Power filed an updated spreadsheet for the calculation of its Deferred PILs rate riders.

Board staff accepts Parry Sound Power’s revised Account 1562 Deferred PILs credit balance of \$182,992 and agrees that Parry Sound Power has appropriately reflected the Board’s findings in all areas of the Decision.

However, Board staff notes that the updated rate rider calculations submitted on October 19, 2012 have not been reflected in the proposed Tariff of Rates and Charges. Specifically, the rate riders for the Deferred PILs should be as follows by rate class:

Rate Class	Rate Rider
Residential	-\$0.0026 per kWh
General Service Less Than 50 kW	-\$0.0017 per kWh
General Service 50 to 4,999 kW	-\$0.3786 per kW
Unmetered Scattered Load	-\$2.2220 per kW
Sentinel Lighting	-\$1.3230 per kW
Street Lighting	-\$0.0143 per kWh