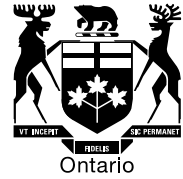


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BY E-MAIL

January 16, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Halton Hills Hydro Inc. ("HHHI")
Application for 2013 Distribution Rates
Board Staff Submission on Regulatory Audit's Review of PP&E
Board File Number EB-2012-0130**

In accordance with Procedural Order No. 1, written submissions by Board staff on Regulatory Audit's review of HHHI's PP&E balance must be filed with the Board, and copied to all other parties, by January 21, 2013. On January 14, 2013 Regulatory Audit issued a letter to the Board. The letter states "This review has found no issues from Regulatory Audit's perspective based on the assessment of HHH's revised approach of calculating depreciation." As a result of this audit, Board staff has no concerns with the credit balance of \$836,717 balance in PP&E account 1575 approved by the Board on an interim basis in HHHI's 2012 cost of service application. Board staff therefore submits that HHHI's 2012 Tariff of Rates and Charges should be made final by the Board effective May 1, 2012.

Yours truly,

Original Signed By

Kelli Benincasa
Analyst – Applications & Regulatory Audit