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February 6, 2013

Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms Walli:

Re: EB-2013-0029 – Review of Market Rule Amendments

We are writing on behalf of the Ontario Power Authority (OPA) in connection with Procedural Order No. 2 issued by the Board in EB-2013-0029 on February 4, 2013.

Pursuant to Procedural Order No. 2, the OPA has enclosed with this letter the following documents:

- (1) unredacted versions of documents in respect of which the OPA claims confidentiality, which have been marked "confidential"; and
- (2) non-confidential, redacted versions of these documents.

Also in accordance with Procedural Order No. 2, the OPA is delivering to all parties to this proceeding:

- (1) the non-confidential, redacted versions of documents in respect of which the OPA claims confidentiality; and
- (2) a copy of this letter.

There is one document in respect of which a request for confidentiality is made that relates to the entire document. The request for confidentiality is made by the Ministry of Energy and the document is identified in Schedule C to the letter that is attached as Appendix B to Procedural Order No. 2. The OPA understands that the Ministry of Energy will put forward the confidentiality request in respect of this document.

The OPA and the applicants in this proceeding are engaged in negotiations regarding the settlement of issues raised by the applicants with regard to existing contracts for the purchase of electricity generated by the applicants. Counsel for the applicants in this proceeding is counsel for the applicants in the settlement negotiations. The redactions made by the OPA from the documents enclosed with this letter are for the purpose of maintaining the confidentiality of information about the settlement negotiations and of information that, if disclosed, would prejudice the settlement negotiations. Disclosure of

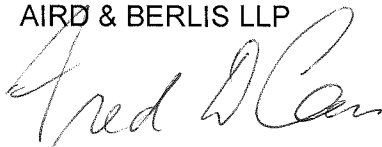
the unredacted versions of the documents enclosed with this letter would result in a breach of settlement privilege.

Procedural Order No. 2 states that the OPA should indicate whether it objects to confidential or unredacted versions of the documents being provided to counsel for a party in this proceeding that has filed a Declaration and Undertaking in accordance with the Board's *Practice Direction on Confidential Filings*. The OPA does indeed object to the provision of documents to counsel in this proceeding, and the filing of a Declaration and Undertaking does not answer the OPA's objection, because counsel for the applicants in this proceeding is also counsel for the applicants in the settlement negotiations with the OPA. The OPA does not believe that any party to this proceeding will be prejudiced by non-disclosure of the confidential, unredacted versions of the documents, inasmuch as the information that has been redacted from the documents relates to the settlement negotiations between the applicants and the OPA and these settlement negotiations are not relevant to the issues in this proceeding.

If the Board has any questions in this regard, please do not hesitate to contact us.

Yours truly,

AIRD & BERLIS LLP



Fred D. Cass
FDC/

c.c. All EB-2013-0029 Parties (with enclosures but excluding unredacted documents)
M. Lyle, Ontario Power Authority