



March 28, 2013

VIA Email, and Courier

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

**RE: LONDON HYDRO INC.
2013 Cost of Service Rate Application (EB-2012-0146/EB-2012-0380)
Settlement Proposal**

Pursuant to Procedural Order No. 3 in the above-captioned matter, a Settlement Conference was convened in this proceeding on March 11, 2013, and continued into March 12, 2013.

London Hydro Inc. ("London Hydro") is pleased to advise that the Parties have achieved a complete settlement in this matter. Please find accompanying this letter a copy of the proposed Settlement Agreement. Each of the Parties has reviewed and has approved the document, and the Parties respectfully request that the Board approve the Settlement Agreement. The Parties acknowledge with thanks the assistance of Mr. Vlahos and Board Staff, including Mr. Neil Mather, in this process.

Please note that the Parties have provided the proposed Schedule of Rates and Charges as Appendix I to the Settlement Agreement. It is being filed separately from the Settlement Agreement to facilitate the finalization of the Schedule. The Parties respectfully suggest that it will not be necessary to have London Hydro prepare a draft Rate Order if the Settlement Agreement is approved by the Board. Rather, the final Rate Order, based on Appendix I, can be approved concurrently with the Settlement Agreement.

Excel versions of related models and Board Appendices will be filed electronically, and two paper copies of the proposed Settlement Agreement will be delivered by courier.

We trust that this is satisfactory. If you have any questions in this regard, please do not hesitate to contact the Undersigned.

Yours truly,

A handwritten signature in blue ink, appearing to read "Mike Chase".

Mike Chase
Director of Finance and Regulatory
London Hydro Inc.