



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: E.L.K. Energy Inc.
2012 Cost of Service Rate Application (EB-2011-0099)
Proposed Settlement Agreement**

Pursuant to Procedural Order No. 3 in the above-captioned matter, a Settlement Conference was convened in this proceeding on February 28, 2013.

E.L.K. Energy Inc. ("E.L.K.") 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 Ms. Ehl and Board Staff in this process.

Please note that the Parties have provided the proposed Schedule of Rates and Charges as Appendix I to the Settlement Agreement. The Parties respectfully suggest that it will not be necessary to have E.L.K. 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 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,

Mark Danelon
Manager, Finance & Regulatory Affairs