

John A.D. Vellone
T (416) 367-6730
F (416) 361-2758
jvellone@blg.com

Borden Ladner Gervais LLP
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000
F 416.367.6749
blg.com



April 16, 2013

DELIVERED BY RESS, COURIER AND E-MAIL

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

Dear Ms. Walli:

**Re: Proposed Settlement Agreement
Thunder Bay Hydro Electricity Distribution Inc. 2013 COS Application
EB-2012-0167**

We are counsel to Thunder Bay Hydro Electricity Distribution Inc. in respect of the above noted mater. Pursuant to Procedural Order No. 2, please find enclosed a proposed Settlement Agreement in respect of this matter. As noted in the attached, a complete settlement has been reached on all issues in this proceeding.

Pursuant to Section 1.4 of the proposed Settlement Agreement, the Parties accept that the appropriate effective date of the new rates flowing from this Application is May 1, 2013. In the event the Board is unable to approve a final rate order in time for Thunder Bay to implement new rates for May 1, 2013, the Parties agree that Thunder Bay's existing rates should be charged on an interim basis and upon Board approval of a final rate order Thunder Bay will be entitled to charge a rate rider over the remaining balance of 2013 calendar year to recover any foregone revenues between May 1, 2013 and the date Thunder Bay implements the new rate order.

Yours Truly,

BORDEN LADNER GERVAIS LLP

Original signed by John A.D. Vellone

John A.D. Vellone

Encl.

Copy: Robert Mace and Cindy Speziale, Thunder Bay Hydro Electricity Distribution Inc.
All Parties in EB-2012-0167 (By e-mail only)