Ontario Energy Board

P.O. Box 2319 27th. Floor 2300 Yonge Street Toronto ON M4P 1E4 Telephone: 416-481-19

Telephone: 416-481-1967 Facsimile: 416-440-7656 Toll free: 1-888-632-6273 Commission de l'énergie de l'Ontario

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EB-2013-0072

April 19, 2013

Patrick Hoey Director, Regulatory Affairs Hydro Ottawa Limited 3025 Albion Road North P.O.Box 8700 Ottawa ON K1G 3S4

LETTER OF DIRECTION

Dear Mr. Hoey:

Re: Hydro Ottawa Limited

Application for Licence Amendment Board File Number EB-2013-0072

The Board has issued its Notice of Application (the "Notice") with respect to the above referenced Application.

You are directed:

- 1. To immediately have both the English version and the French version of the Notice posted on Hydro Ottawa Limited's website.
- To immediately serve a copy of the Notice, together with a copy of the Application and pre-filed evidence, either personally, by courier, or by registered mail on Hydro One Networks Inc.
- 3. To immediately serve a copy of the Notice together with a copy of the Application and pre-filed evidence and a suitable cover letter, either personally, by courier, or by registered mail, upon the 44 customers that are the subject of the above referenced application. You must include in your cover letter to the 44 customers the information in the sample letter attached as appendix A to this Letter of Direction.

- 4. To file with the Board affidavit evidence proving service of the documents immediately after service is effected, and original Post Office Registration Receipts (where applicable) or courier confirmation lists attached as appendices.
- 5. To make a copy of the Application and evidence, and any amendments thereto, available for public review at Hydro Ottawa Limited's office and on its website;
- 6. To make a copy of the Notice available for public review at Hydro Ottawa Limited's office; and,
- 7. To provide a copy of the Application and evidence, and any amendments thereto, to anyone requesting the material.

You are further directed not to include any document(s) or material(s) when serving the Notice other than document(s) or material(s) expressly required by this Letter of Direction to be served.

By way of a copy of this letter to Hydro One Networks Inc., the Board is directing Hydro One Networks Inc. to immediately have both the English version and the French version of the Notice posted on its website.

Yours truly,

Original signed by

Kirsten Walli Board Secretary

Encl.

cc: Hydro One Networks Inc.

Appendix A

APPLICATION TO THE ONTARIO ENERGY BOARD BY YOUR ELECTRICITY DISTRIBUTOR, HYDRO OTTAWA LIMITED File No. EB-2013-0072

Dear customer:

Your electricity distributor, Hydro Ottawa Limited filed an application with the Ontario Energy Board requesting to continue the way that your electricity distribution service is currently provided. The Ontario Energy Board ("the Board") is an independent and impartial tribunal that will hold a public hearing to review Hydro Ottawa's application and determine whether the request should be granted.

You are not required to take any action in response to this letter but you may wish to let the Board know of your views and/or any concerns you may have about the application. A copy of the official Notice of Application which was issued by the Board is attached to this letter. The Notice contains information about how to participate in the proceeding should you so wish.

As you know, you are currently a customer of Hydro Ottawa and are billed for electricity by Hydro Ottawa at its Board approved rates. However, you may not know that your electricity is physically delivered to you by another electricity distributor, Hydro One Networks Inc. Hydro Ottawa's electricity distribution rates are presently lower than Hydro One's electricity distribution rates. This arrangement between the two distributors is known as a long term load transfer.

The Ontario Energy Board requires geographic electricity distributors (in your case, Hydro Ottawa) to eliminate long term load transfer arrangements before June 30, 2014.

To comply with the Board's requirements, the two main options available to Hydro Ottawa are:

- (a) applying to the Board for an order to transfer you permanently to Hydro One's service area; or
- (b) connecting you and servicing you directly.

However, Hydro Ottawa believes that the current arrangement with Hydro One is the best way to provide you with electricity distribution services and therefore applied to the

Board for an order allowing it to continue its long term load transfer arrangement with Hydro One.

If the Board grants the exemption request, the current arrangement will continue. If the Board denies the exemption request Hydro Ottawa will be required to eliminate its long term load transfer arrangements by June 30, 2014.