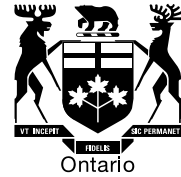


Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

m.danelon@elkenenergy.com

February 5, 2015

Mark Danelon
E.L.K. Energy Inc.
172 Forest Avenue
Essex ON N8M 3E4

m.danelon@elkenenergy.com

Dear Mr. Danelon:

**Re: E.L.K. Energy Inc.
Application for Rates
Board File Number EB-2014-0067**

As outlined in the case management letter issued October 30, 2014, the Board's Vice President, Applications has been delegated authority under Section 6 of the *Ontario Energy Board Act, 1998* to make a decision on the 2015 Price Cap IR application filed by E.L.K. Energy Inc. on October 20, 2014. All relevant information and updates to the application have now been provided.

Attached to this letter is a draft of the decision the delegated authority proposes to make based on the application and any subsequent updates or clarifications. Please review the decision and provide any comments. Please also review the accompanying draft Rate Order for accuracy and completeness. Any comments are to be provided no later than February 19, 2015.

The draft decision proposes not to approve disposition of any Group 1 deferral and variance account balances, given that the balances in Account 1588 and 1589 are unusually large for the E.L.K. service area. The decision, if made final, would require E.L.K. to complete a comprehensive review of its deferral and variance account balances.

The Vice President, Applications will consider your comments, if any, provided they have been received by the deadline, and issue a final decision and rate order in due course.

The rate generator model and resulting tariff sheets enclosed with this correspondence reflect retail transmission service rates based upon the best available information at the time of this letter. The language in the decision is written in expectation of approved applicable retail transmission service rates being available at the time the decision is finalized. Board staff will update your application with any applicable rates should more information become available prior to the issuance of the final decision in this proceeding. Staff will contact you if an update is made to the rate generator model.

Any questions relating to this letter or your application should be directed to Kelli Benincasa, Analyst at 416-440-7624 or Kelli.Benincasa@ontarioenergyboard.ca.

Yours truly,

Original signed by

Kirsten Walli,
Board Secretary