

VIA E-MAIL, RESS and COURIER to the BOARD

May 17, 2012

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

Re: EB-2012-0206 Board Motion - Deferral Account 179-70 - FRPO Submissions

In accordance with Procedural Order No. 1 dated May 2, 2012, the following are the submissions of the Federation of Rental-housing Providers of Ontario (FRPO).

At the outset, we would like to commend CME and our expert, John Rosenkranz, for determining the inequity that has been created by the lack of removal of the shareholder benefit of \$2.992M that was a result of the application of the 21% percent NGEIR adjustment. As collaborators with CME in this proceeding, we have had opportunity to preview the yet to be filed submissions of CME in this matter and adopt them in entirety.

In addition, even after reviewing the aforementioned CME submissions, we had intended on submitting our views on the premises that Union had based its position prior to the Board's motion. Specifically, we were concerned with their presumptions about what intervenors, Board staff and the Board ought to have known. However, after reviewing the Board staff submission of May 14, 2012, we believe that point has been effectively covered.

Beyond providing our support for the submissions of CME and Board staff, we felt it important to express our concern with what has been a continued challenge with full disclosure from Union similar to the specific concern raised by Board staff in this matter. Further, even though Union may not have agreed that an adjustment for 2010 would be procedurally correct, they ought to have known that the shareholder benefit of 21% of \$2.992M should be removed for the 2011 Deferral Account dispositions. However, a review of Union's evidence submitted April 13, 2012 in the EB-2012-0087 proceeding reveals a continued expectation of shareholder entitlement without provision of additional detail that would reveal that derivation.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. Interested Parties EB-2012-0206