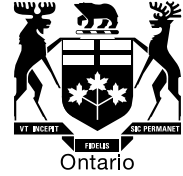


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BY E-MAIL
suzanne.wilson@npei.ca

May 13, 2019

Suzanne Wilson
Senior Vice-President, Finance
Niagara Peninsula Energy Inc.
7447 Pin Oak Drive
Box 120
Niagara Falls, ON L2E 6S9

Dear Ms. Wilson:

Re: Application for 2020 Electricity Rates – EB-2019-0054

This letter is in response to your letter expressing an interest to defer Niagara Peninsula Energy Inc.'s (NPEI) rebasing of its rates beyond the 2020 rate year.

The Ontario Energy Board (OEB) has reviewed your letter, as well as NPEI's financial and non-financial scorecard performance from 2013 to 2017. Based on this review, the OEB has concluded that it will not require NPEI's 2020 rates to be set on a cost of service basis. The OEB will place NPEI on the list of distributors whose rates will be scheduled for rebasing for the 2021 rate year.

If NPEI intends to seek a rate adjustment for 2020 rates, the OEB expects NPEI to adhere to the process for Price Cap Incentive Rate-setting applications for the 2020 rate year.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary