

April 17, 2020

VIA EMAIL AND RESS

Ms. Christine Long
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Cost of Service Rate Application – Rates for 2021
Niagara Peninsula Energy Inc. (“NPEI”)
EB-2020-0040**

Given the unprecedented state of emergency in the province, NPEI is writing to inform the Board of NPEI's intent to defer filing its next cost of service rate application and further, to reserve its rights in respect of the form the application for the 2021 rate year will take.

Until just recently, the City and surrounding area was experiencing higher than historical levels of residential customer growth, was actively expanding commuter GO service and pursuing the construction of a new hospital. The City of Niagara Falls and surrounding area is a world class tourist destination with restaurants, wineries, theatres, casinos and natural attractions such as the Falls and the Niagara Escarpment. As such, the Province's orders, which are necessary, have had a particularly dramatic impact on the Niagara area residents and businesses, including NPEI.

In a letter dated May 13, 2019, EB-2019-0054, the Board approved NPEI's request to defer the filing of the cost of service rate application beyond the 2020 rate year. In making that request, NPEI had planned to submit a cost of service rate application for the 2021 rate year. In fact, NPEI was on schedule for an April 2020 filing for the 2021 rate year. At the time of the deferral request, NPEI had forecasted 2021 would be a more typical year and more appropriate to be a test year for a cost of service rate application. However, it is now abundantly clear that 2020 will have unprecedented challenges that will likely have impacts in 2021 and potentially beyond. As such, there is great uncertainty at this time in any forecasts that would be included in such a rate application. Further, the resources required to complete a cost of service application are significant and, at this time, are required for other aspects of the business.

As such, NPEI is seeking to defer filing rates past the April 30, 2020 deadline for rates effective January 1, 2021. Given the current information, NPEI anticipates filing its next COS application by August 31, 2020. NPEI submits the timing and nature of an appropriate rate application will be better known when the current emergency situation has concluded and a sense of normalcy has returned. At that time, NPEI will have a better understanding of the impact and needs of its customers following the COVID-19 pandemic. However, given the uncertainty in this unprecedented situation, NPEI reserves the right to seek a further deferral in August, 2020.

If there are any concerns with NPEI's proposed course of action, please inform it at the earliest opportunity.

Yours truly,

A handwritten signature in black ink that reads "S. Wilson". The signature is written in a cursive, flowing style.

Suzanne Wilson

Senior Vice President Finance

Cc: Scott Stoll (via email – [sstoll@airdberlis.com](mailto:ssoll@airdberlis.com))
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