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## THE BOARD OF DIRECTORS

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June 2, 2011

BY EMAIL & COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2010-0138**  
**Niagara Peninsula Energy Inc. – 2011 Cost of Service Application**  
**Energy Probe – Draft Rate Order Comments**

Pursuant to the Decision and Order, issued May 30, 2011, please find attached the Comments of Energy Probe Research Foundation (Energy Probe) in the EB-2010-0138 proceeding in respect of the Draft Rate Order.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc: Brian Wilkie, Niagara Peninsula Energy (By email)  
Suzanne Wilson, Niagara Peninsula Energy (By email)  
James Sidlofsky, Borden Ladner Gervais LLP (By email)  
Randy Aiken, Aiken & Associates (By email)  
Intervenors of Record (By email)

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**Energy Probe Research Foundation** 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: [EnergyProbe@nextcity.com](mailto:EnergyProbe@nextcity.com) Internet: [www.EnergyProbe.org](http://www.EnergyProbe.org)

**Ontario Energy Board**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Niagara  
Peninsula Energy Inc. for an order approving just and  
reasonable rates and other charges for electricity  
distribution to be effective May 1, 2011.

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**ENERGY PROBE RESEARCH FOUNDATION  
("ENERGY PROBE")**

**COMMENTS ON DRAFT RATE ORDER  
JUNE 1, 2011**

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**NIAGARA PENINSULA ENERGY INC.  
2011 RATES REBASING CASE  
EB-2010-0138**

**COMMENTS OF ENERGY PROBE RESEARCH FOUNDATION ON DRAFT  
RATE ORDER DATED JUNE 1, 2011**

Energy Probe has reviewed the Draft Rate Order filed June 1, 2011 and has a few comments, as follows.

**Appendix D**

Energy Probe has reviewed Appendix D which contains the Final Revenue Requirement Work Form and believes it correctly reflects the Board Decision with respect to the long term debt cost. In particular, the gross revenue deficiency per the Board Decision is \$2,064,398.

Energy Probe notes that the Final Revenue Requirement Work Form provided in Appendix D appears to have included the Capitalization/Cost of Capital page twice, at pages 158 and 159 of 171.

**Table 1 on Page 5**

With respect to Table 1 on page 5 of the Draft Rate Order, Energy Probe notes that the revenue deficiency before tax is larger than the revenue deficiency after tax. Energy Probe believes these lines are mislabeled and should be reversed.

In addition, the revenue deficiency after tax figures provided in Table 1 do not match the revenue deficiency figures provided in the Revenue Sufficiency/Deficiency page of the Revenue Requirement Work Form. Energy Probe does note that these figures in Table 1 match the figures in the table provided on page 169 of the Draft Rate Order. The last two lines in the table provided on page 169 also appear to have mislabeled lines in that the revenue deficiency before tax is shown to be larger than the deficiency after tax.

Energy Probe notes that there would not appear to be any impact on the actual gross revenue deficiency, but believes that it would useful if NPEI could clarify the different figures.