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March 9, 2012

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-2011-0272**  
**Norfolk Power Distribution Inc. – 2012 Cost of Service Application**  
**Energy Probe – Comments on the Draft Rate Order**

Pursuant to the Amended Decision and Order, issued by the Board on February 14, 2012, please find attached the Comments of Energy Probe Research Foundation (Energy Probe) on the Draft Rate Order in the EB-2011-0272 proceeding for consideration by the Board.

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

Yours truly,

David S. MacIntosh  
Case Manager

cc: Brad Randall, Norfolk Power (By email)  
Jody McEachran, Norfolk Power (By email)  
James Sidlofsky, Border Ladner Gervais LLP (By email)  
Randy Aiken, Aiken & Associates (By email)  
Intervenors of Record (By email)

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**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 Norfolk  
Power Distribution Inc. for an order approving just and  
reasonable rates and other charges for electricity  
distribution to be effective May 1, 2012.

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

**COMMENTS ON DRAFT RATE ORDER  
MARCH 9, 2012**

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**NORFOLK POWER DISTRIBUTION INC.  
2012 RATES REBASING CASE  
EB-2011-0272**

**COMMENTS OF ENERGY PROBE RESEARCH FOUNDATION ON DRAFT  
RATE ORDER DATED MARCH 8, 2012**

Energy Probe has reviewed the Draft Rate Order ("DRO") filed March 8, 2012. Energy Probe has a number of comments, as detailed below.

First, Energy Probe believes that Norfolk Power has appropriately reflected the changes in the revenue requirement that reflect the cost of capital parameters that were issued by the Board on March 2, 2012.

Second, with respect to cost allocation, Energy Probe is unable to determine if Norfolk Power has adjusted the revenue to cost ratios as agreed to in the Proposed Settlement Agreement dated February 2, 2012 and accepted by the Board in its Amended Decision and Order dated February 14, 2012. Energy Probe notes that the revenue to cost ratios shown in Sheet O1 of the Cost Allocation Model appear to show the revenue to cost ratios that result from the reduction in the revenue requirement, before any adjustments are made to comply with Section 7.1 of the Settlement Agreement.

Energy Probe notes that Norfolk Power may have made the adjustments to the revenue to cost ratios that were agreed to by the parties in the Settlement Agreement, which are shown in the last column of the table on the top of page 33 of the Settlement Agreement. However, Norfolk Power has not provided any comments to confirm that it has made the adjustments required in the Settlement Agreement.

Energy Probe submits that Norfolk Power either confirm that it has made the appropriate adjustments to the revenue to cost ratios or that it re-calculate the distribution rates to reflect the appropriate revenue to cost ratios agreed to in the Settlement Agreement.