

March 13, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

RE: EB-2011-0210 – LPMA Comments on Draft Issues List

This letter is in reply to Board Staff's letter of March 13, 2012 asking if any party has any issues they would like to see added or removed from the Draft Issues List.

The London Property Management Association ("LPMA") would like to see the following issues added to the Draft Issues List:

Rate Base

Does the evidence support the capital expenditure and accumulated depreciation forecasts for 2011 and 2012 used in the calculation of the 2013 rate base?

Costs

Does the evidence support Union's property and income tax forecasts?

Does the evidence support Union's proposal to update the bad debt expense as part of the Quarterly Rate Adjustment Mechanism process?

Does the evidence support Union's continuation to adjust the unaccounted for gas, company used gas and gas inventory for resale costs as part of the Quarterly Rate Adjustment Mechanism process?

Cost of Capital

Does the evidence support Union's cost of long term, short term debt and preference shares ?

Rate Design

Is Union's proposal to continue with its various deferral and variance accounts appropriate?

Are rate mitigation measures required to address the rate impacts on some customers as a result of the proposed January 1, 2014 rate design proposals?

LPMA is of the view that the following issues should be removed from the Draft Issue List:

Does the evidence support updating the utility/non-utility allocator used to calculate margin for sharing for short-term storage services to 59:41?

Does the evidence support a rate increase to recover Union's delivery related revenue deficiency?

LPMA is also of the view that the cost of capital issue in the Draft Issues List should be split into two components as follows:

Does the evidence support Union's proposed change in capital structure, increasing Union's deemed common equity component from 36% to 40%?

Is Union's proposal to use the Board's formula to calculate return on equity appropriate?

Sincerely,

Randy Aiken

Randy Aiken
Aiken & Associates

cc: All Parties to EB-2011-0210 (by e-mail only)