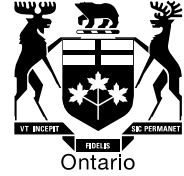


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**BY E-MAIL**

March 15, 2012

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St., 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Board Staff Comments on the Draft Rate Order  
Norfolk Power Distribution Inc.  
2012 Electricity Distribution Revenue Requirement and Rates  
Board File No. EB-2011-0272**

Board staff has the following comments on the draft Rate Order submitted by Norfolk Power Distribution Inc. ("Norfolk Power"), on March 8, 2012 in accordance with the Board's Decision with Reasons issued on February 14, 2012:

- 1) Board staff notes that the Proposed Tariff of Rates and Charges includes Retail Transmission Rates that are not consistent with those filed in the Settlement Agreement accepted by the Board. Board staff submits that Norfolk Power should either correct or explain this discrepancy.
- 2) Board staff also notes that the Rate Rider for LRAM recovery for the Residential class also does not correspond to the Rate Rider shown in the Settlement Agreement accepted by the Board. Board staff submits that Norfolk Power should either correct or explain this discrepancy.
- 3) Board staff also notes that the Rate Rider for Deferral/Variance Account Disposition (2012) for the USL class is \$0.0001 on the Tariff Sheet submitted in the draft Rate Order while on page 40 of the Settlement Agreement this amount is shown as -\$0.0001. Board staff submits that Norfolk Power should either correct or explain this discrepancy.

- 4) Board staff further notes that draft Rate Order shows the bill impacts for the Residential and General Service <50 kW classes in the RRWF, but does not show the impacts on the remaining classes. Board staff submits that Norfolk Power should provide the bill impacts for the remaining classes.
- 5) Board staff submits that, as the Revenue Requirement was adjusted to account for the new cost of capital parameters, Norfolk Power provide a revised PILS calculation (Appendix F of the Settlement Agreement) that corresponds to the rates included in the draft Rate Order.

Sincerely,

*Original Signed By*

Harold Thiessen  
Case Manager – EB-2011-0272  
Senior Project Advisor - Applications

cc. All Parties, EB-2011-0272