



The Energy Boutique

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July 3, 2012

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2012-0112

In accordance with Procedural Order No. 1 in the above referenced proceeding, we are writing to respond to the following Issues List addition proposed by the SEC:

"Is the proposed adoption of Accounting Standards for Private Enterprise ("ASPE") appropriate?"

In the *Addendum to Report of the Board: Implementing International Financial Reporting Standards in an Incentive Rate Mechanism Environment* dated June 13, 2011, the Board was clear that it cannot prescribe financial reporting for regulated utilities, but it can require accounting methodologies for the purpose of a rate application:

*"The Board does not prescribe financial reporting for regulated utilities. The accounting principles required for financial reporting in Canada are prescribed by the AcSB and other accounting standards bodies. The Board does set the requirements for regulatory accounting, reporting and filing. The policy in this Addendum applies only to regulatory accounting, regulatory reporting and rate application filing."*¹

Since the SEC's proposed issue could be interpreted to broadly apply to the appropriateness of CNPI adopting ASPE for financial reporting, a determination that is beyond the scope of this proceeding, CNPI submits that the issue should be narrowed within the confines of the Board's jurisdiction as follows:

¹ At pages 2 and 3.

"Is the use of Accounting Standards for Private Enterprise ("ASPE") appropriate for the purpose of CNPI's distribution rate application?"

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Taylor". The signature is fluid and cursive, with the first name "Andrew" being more legible than the last name "Taylor".

Andrew Taylor