



The Energy Boutique

120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1
Tel: (416) 644-1568
Email: ataylor@energyboutique.ca

August 27, 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

On behalf of Canadian Niagara Power Inc. ("CNPI"), I am writing to advise that CNPI is amending its distribution rate application in regard to its Deferred PILs Account 1562. As set out in CNPI's PILs Binder that was filed with its application, CNPI proposed to disburse the balance of its Account 1562 to its customers in the amount of \$1,119,031. This figure represented the sum of CNPI's three distribution service areas, as illustrated by the following table:¹

	PILs Balance Owing to Customers
CNPI – Fort Erie	\$771,033
CNPI – EOP	89,875
CNPI – Port Colborne	258,123
	\$1,119,031

Since filing its application, CNPI has concluded that it was not required to use Account 1562 for its Fort Erie and EOP service areas because CNPI is a privately owned distributor that does not remit PILs in accordance with Section 93 of the *Electricity Act, 1998* (the "Electricity Act"). Rather, CNPI pays taxes in accordance with the *Income Tax Act*. Further, the Board's Decision and Order in the Combined PILs Proceeding (EB-2008-0381) excluded CNPI as a beneficiary of the principles derived from that proceeding:

"As originally stated in the Notice of Hearing any costs awarded in this proceeding shall be paid by all rate-regulated electricity distributors that are required to pay PILs taxes

¹ Page 1 of 5, Table 1, CNPI's PILs Binder

under section 93 of the *Electricity Act, 1998*. Cost awards will not be recovered from distributors whose rates are not currently fixed or approved by the Board (namely Cornwall Street Railway, Light and Power Company Ltd. and Dubreuil Forest Products Ltd.) or from distributors that are not subject to PILs under section 93 of the *Electricity Act, 1998* (namely, Attawapiskat Power Corporation, Fort Albany Power Corporation, Kashechewan Power Corporation, Hydro One Remote Communities Inc., Hydro One Networks Inc., Hydro One Brampton Networks Inc., Great Lakes Power Ltd. (now Algoma Power Inc.) and **Canadian Niagara Power Inc.).² [emphasis added]**

As such, CNPI hereby amends its application to remove the originally stated balance in Account 1562 for \$1,119,031.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Taylor', written in a cursive style.

Andrew Taylor

² At pages 28 and 29.