

May 21, 2015

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

RE: Niagara Peninsula Energy Inc.  
2015 Cost of Service Rate Application (EB-2014-0096) – Draft Rate Order

Dear Ms. Walli:

As directed in the Board's Decision and Order, issued May 14, 2015, please find enclosed Niagara Peninsula Energy Inc.'s ("NPEI's") Draft Rate Order and Draft Accounting Order.

The Draft Rate Order reflects the Board's decision that NPEI maintain the current fixed / variable split of 58% / 42% for the Residential Class.

A Working Capital Allowance ("WCA") of 13% has been utilized, pending the results of the lead / lag study that the Board has directed NPEI to file with its next incentive rates application.

The Board's Decision finds that NPEI's 2015 rates will be implemented and effective on an interim basis as of June 1, 2015. Accordingly, NPEI has updated the rate riders to be over 11 months or 23 months respectively versus the original application had these riders over 12 months or 24 months respectively. NPEI is submitting the updated 2015 EDDVAR Continuity Schedule Excel Model and an updated Stranded Meter Rate Rider Excel file.

NPEI is also filing updated Bill Impacts and Revenue Requirement Work Form ("RRWF") model. The Bill Impacts reflect the changes in the rate rider recovery periods, which generally reduces bill impacts due to larger credit rate riders. NPEI notes that there is no change in the RRWF between the Settlement Agreement column and the Board Decision column.

NPEI is submitting all files in the RESS system, and two hard copies will follow by courier to the attention of the Board Secretary.

Yours truly,  
Niagara Peninsula Energy Inc.



Suzanne Wilson, CPA, CA  
Vice-President, Finance

