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April 27, 2016

BY EMAIL & COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2015-0090/EB-2015-0328**  
**Niagara Peninsula Energy Inc. – Revised Draft Rate Order**  
**Energy Probe – Revised DRO Working Capital Allowance Submission**

On April 21, 2016, the Board issued its Decision and Procedural Order No. 2, addressing the working capital allowance and the disposition of the lead/lag costs. NPEI submitted its revised DRO, including supporting documentation.

Pursuant to the Decision and Order No. 2, please find attached the Energy Probe Research Foundation (Energy Probe) Working Capital Allowance Submission in respect of the Draft Rate Order in the EB-2015-0090/EB-2015-0328 proceeding for consideration of the Board.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc: Suzanne Wilson, Niagara Peninsula Energy (By email)  
Paul Blythin, Niagara Peninsula Energy (By email)  
Randy Aiken, Aiken & Associates (By email)  
Parties of Interest (By email)

**Energy Probe Research Foundation** 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: [EnergyProbe@nextcity.com](mailto:EnergyProbe@nextcity.com) Internet: [www.EnergyProbe.org](http://www.EnergyProbe.org)

**EB-2015-0090/EB-2015-0328**

**Niagara Peninsula Energy Inc.**

**Application for electricity distribution rates and other  
charges effective May 1, 2016**

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**REVISED DRAFT RATE ORDER SUBMISSIONS OF  
ENERGY PROBE RESEARCH FOUNDATION  
("ENERGY PROBE")**

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**April 27, 2016**

**NIAGARA PENINSULA ENERGY INC.  
2016 RATES CASE  
EB-2015-0090**

**REVISED DRAFT RATE ORDER SUBMISSION OF ENERGY PROBE  
RESEARCH FOUNDATION ON WORKING CAPITAL ALLOWANCE**

**A- INTRODUCTION**

On March 17, 2016, the Ontario Energy Board ("Board") issued its Decision and Order in the Niagara Peninsula Energy Inc. ("NPEI") 2016 IRM Rate Application (EB-2015-0090) and Application to Dispose of Lost Revenue and Adjustment Variance Account Balance.

The Board directed NPEI to file proposed Tariffs of Rates and Charges for 2015 and 2016, reflecting the OEB's findings in the Decision, along with supporting documentation.

NPEI filed its Draft Rate Order ("DRO") on March 24, 2016. Energy Probe and Board Staff filed comments on NPEI's DRO on March 30, 2016. NPEI filed its response to the comments of Energy Probe and Board Staff on April 4, 2016.

On April 21, 2016, the Board issued its Decision and Procedural Order No. 2, addressing the working capital allowance and the disposition of the lead/lag costs. NPEI submitted its revised DRO, including supporting documentation.

The following are the submissions of Energy Probe Research Foundation ("Energy Probe") on the revised DRO.

**B - SUBMISSIONS**

Energy Probe has reviewed the calculation of the change in the 2015 revenue requirement as calculated by NPEI of \$297,194 and agrees with the calculation.

Interim rates became effective June 1, 2015, so the annual revenue requirement change has to be prorated for 11 months. NPEI has calculated this amount to be \$272,428. Energy Probe concurs with this figure. After deducting the \$34,077 in costs related completing the lead/lag study, which the Board approved for disposition, this leaves a rebate to customers of \$238,351. Energy Probe agrees that this is the correct amount to be refunded to customers.

Energy Probe has also reviewed the methodology used to calculate the rate rider amounts allocated to the rate classes and the allocation within each rate class between the fixed and volumetric charges and supports the NPEI proposal that the rate rider include both fixed and volumetric components. This reflects how the excess costs that are now being returned to ratepayers were included in the interim rates that they paid.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED**

**April 27, 2016**

**Randy Aiken  
Consultant to Energy Probe**