

November 4, 2019

Mr. Andrew Frank
Advisor
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

RE: 2020 IRM Rate Application EB-2019-0054

Dear Mr. Frank:

Niagara Peninsula Energy Inc. ("NPEI") filed its 2020 Incentive Rate Mechanism ("IRM") Rate Application with the Ontario Energy Board ("OEB") on August 9, 2019. In its application, NPEI requested disposition of its Group 1 Deferral and Variance account balances as at December 31, 2017 and December 31, 2018, on a final basis.

On October 31, 2019, the OEB issued its letter: *Adjustments to Correct for Errors in Electricity Distributor "Pass Through" Variance Accounts After Disposition*. Upon review of the OEB's letter, NPEI hereby amends its request for disposition of Group 1 Deferral and Variance account balances as at December 31, 2017 and December 31, 2018, to be on an interim basis.

NPEI notes that Section 7.7.7 of the Retail Settlement Code allows for a maximum period for billing corrections of 2 years. Therefore, it is possible that billing corrections relating to 2017 and 2018 variance account balances could be made up until the end of 2019 or 2020, respectively.

NPEI proposes to request final disposition of its 2017 and 2018 Group 1 Deferral and Variance account balances in a future rate application, once the 2 year billing correction period has elapsed and no further billing corrections relating to 2017 or 2018 balances could be made.

Please contact myself should anything further be required, I can be reached at 905-353-6004.

Yours truly,
NIAGARA PENINSULA ENERGY INC.



Suzanne Wilson, CPA, CA
Senior Vice-President, Finance

Cc. Ms. Christine Long, Registrar and Board Secretary