



Ontario  
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BY EMAIL

September 1, 2020

Mr. Brian Wilkie  
President and Chief Executive Officer  
Niagara Peninsula Energy Inc.  
7447 Pin Oak Drive, P.O. Box 120  
Niagara Falls ON L2E 6S9  
[Brian.Wilkie@npei.ca](mailto:Brian.Wilkie@npei.ca)

Dear Mr. Wilkie:

**Re: Niagara Peninsula Energy Inc. (Niagara Peninsula Energy)  
2021 Cost of Service Rate Application  
Ontario Energy Board (OEB) File Number: EB-2020-0040**

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the OEB's Filing Requirements<sup>1</sup> for cost of service applications. As a result, the OEB is unable to process Niagara Peninsula Energy's application at this time. The OEB will commence processing the application after the noted information is filed.

The missing information is noted below:

Chapter 2 Filing Requirement Reference	Description
Section 2.0.7 p. 5	<p>The Filing Requirements state that "when filing Excel models, applicants should ensure that any links within these models are not broken."</p> <p>Niagara Peninsula Energy uses reference links to other files in their excel models, which results in broken links within the model when it is refreshed. Please update the links in all excel models and refile the</p>

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<sup>1</sup> Chapter 2 of the *Filing Requirements for Electricity Distribution Applications Rate Applications*, dated May 14, 2020

	affected models.
Section 2.4.3 p. 30	<p>The Filing Requirements state that “the variance analysis should include an explanation of whether the change was within or outside the applicant’s control.”</p> <p>The Filing Requirements further state the following:</p> <p>“For each significant change within the applicant’s control, the applicant should describe the business decision that was made to manage the cost increase/decrease and the alternatives, including associated costs, assessed by the applicant and rejected in favour of the course of action taken or proposed to be taken.”</p> <p>Per the Filing Requirements, please indicate whether the change referenced in the variance analysis was within or outside Niagara Peninsula Energy’s control. Please also describe the business decision that was made to manage the cost increase/decrease and the alternatives considered.</p>
Section 2.4.5 pp. 37	<p>The Filing Requirements state that “Distributors must bring forward the balance tracked in Account 1592 - PILs and Tax Variances – CCA Changes for review and disposition in its current cost-based rate application, as well as future cost-based rate applications”. The Filing Requirements cited the OEB’s July 25, 2019 letter for the steps of recording and tracking the amounts in Account 1592 - PILs and Tax Variances – CCA Changes, in which step 1 states that “Record the impacts of CCA rule changes in Account 1592 - PILs and Tax Variances – CCA Changes for the period November 21, 2018 until the effective date of the distributor’s next cost-based rate order” and step 2 states that “Record the full revenue requirement impact of any changes in CCA rules that are not reflected in base rates in Account 1592 – PILs and Tax Variances – CCA Changes”.</p> <p>In Exhibit 9, Niagara Peninsula Energy states that it has not recorded any balances in Account 1592 related to CCA changes and explained the rationale being: 1) Niagara Peninsula Energy has no regulatory taxable income in 2018, 2019 or forecast 2020; 2) Niagara Peninsula Energy is forecasting a non-capital loss carry forward to reduce the payment in lieu of taxes amount proposed to be included in the 2021 revenue requirement.</p> <p>OEB staff notes that the rationale provided by Niagara Peninsula Energy does not appear to relate to the calculation of the balances that are to be recorded in Account 1592- PILs and Tax Variances – CCA Changes. Please calculate the balance in Account 1592-PILS</p>

	and Tax Variances – CCA Changes, provide the supporting calculation and update the models and schedules as applicable.
Section 2.4.6.2 pp. 40-43	<p>The Filing Requirements state the applicant should include the Participation and Cost Reports and Persistence Savings Report issued by the IESO. Reports must be filed in Microsoft Excel format.</p> <p>Niagara Peninsula Energy has not provide the reports in Microsoft Excel format. Please provide the following reports in excel format to support the LRAMVA application:</p> <ul style="list-style-type: none"> <li>• Participation &amp; Cost Report</li> <li>• 2017 Final IESO Results Report</li> <li>• 2011-2015 Persistence Savings Report</li> </ul>

The OEB expects that Niagara Peninsula Energy will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when re-filing the application.

Any questions relating to this letter should be directed to Donald Lau at [donald.lau@oeb.ca](mailto:donald.lau@oeb.ca) or at 416-440-7681. The Board's toll-free number is 1-888-632-6273.

Yours truly,

*Original Signed By*

Christine E. Long  
Registrar and Board Secretary