



NIAGARA FALLS HYDRO

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ONTARIO ENERGY BOARD

October 23, 2007

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

EB 25 10 7

Re: Application for Leave for Niagara Falls Hydro Inc. to Amalgamate with Peninsula West Utilities Limited, Board File Number EB-2007-0749

Dear Ms. Walli:

As discussed with Julie Doherty, Niagara Falls Hydro Inc and Peninsula West Utilities Limited would like to provide further clarification in addition to the information provided in the response dated October 3, 2007 in regards to section 2.4.1, provide proposed transaction approval from the Township of West Lincoln.

Section 2.4.1

The parties to the proposed transaction have not received the approval from the Township of West Lincoln. However, based on the existing Shareholder Agreement for Peninsula West Utilities, it is deemed, that the shareholder can proceed with a merger as long as 66 2/3% of the votes of the shareholders approve the merger. The shareholder Peninsula West Utilities resolution attached in the response dated October 3, 2007 supersedes any resolution to be received from the Township of West Lincoln.

The Town of Lincoln and the Town of Pelham represents 66 2/3% of the votes; therefore, the holding company of Peninsula West Utilities approved the decision to proceed with the merger.

As noted in the response of October 3, 2007 we want to provide information as it becomes available to us regarding West Lincoln. Although, no resolution was received from West Lincoln, it is understood that the municipality is moving forward looking ahead to amalgamation as they have proceeded with the nomination of Board members to the proposed merged entity, Niagara Peninsula Energy Inc, as reported in the local newspaper article, Grimsby Lincoln News, dated October 17, 2007. We have attached the article for your review.



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We will continue to provide update to West Lincoln and to communicate the benefits of the merger, with the foremost being a new service centre being located in their community, as well as, equal representation on the Board of Directors for the new amalgamated entity.

The Applicant understands that the Board may require information that is additional or supplementary to the information provided. Upon Board request, we will work diligently in providing the necessary information.

If you should have any questions or require additional information, please contact our offices.

Sincerely,

Ms. Margaret Battista
Director of Customer Service and Special Projects (Senior Regulatory Officer)

- . cc Brian Wilkie, President, Niagara Falls Hydro Inc.
- . cc Brian Walker, President, Peninsula West Utilities Limited
- . cc Karen Bubish, Chief Operating Officer, Peninsula West Utilities Limited

MB/mb

Grimby Lincoln news
 Wednesday, October 17, 2007

Council split on Pen West representation

By Marcel Vander Wier

The News

West Lincoln council was split on whether or not an alderman should represent the township on the board of Niagara Peninsula Energy Inc.

Pen West Power requested council nominate a director to sit on the board in September.

At an Administration meeting held last month, Ald. John Glazier requested that clerk Carolyn Langley contact residents Maryanne McDougall and Russell Lowden to see if either would be interested in sitting on the board.

Glazier admitted he did not feel qualified, but that he wanted to put forward the two names.

"That's what I felt was the right thing," he said.

Ald. Norm Johnson said he thought

Ald. Glazier made a bad decision. Ald. Johnson had hoped more people would have been inquired upon to serve on the board, including Mayor Katie Trombetta.

"I do believe Alderman Glazier is wrong," Ald. Johnson told council Sept. 24. "At least start with a full list."

"I won't waste my time to respond," Ald. Glazier said.

Ald. Sue-Ellen Merritt agreed with Ald. Johnson, saying she would have hoped at least an alderman would have been included in the nomination list.

"I think we'd be better off to have a member of council on the board," she said, "especially in this critical year of amalgamation."

Despite their concerns, the nominations will go forward as Ald. Glazier originally requested.