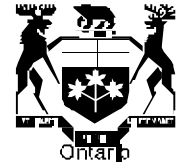


**Ontario Energy  
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**BY E-MAIL**

December 19, 2008

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: **Niagara Peninsula Energy Inc.  
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application  
Board File Number EB-2008-0199 and EB-2008-0200**

Please find attached Board staff interrogatories in the above proceeding. Please forward the attached documents to Niagara Peninsula Energy Inc. and all other parties in this proceeding.

Yours truly,

*Original Signed by*

Lawrie Gluck  
Analyst, Regulatory Policy Development

Encl.

**Board Staff Interrogatories**  
**2009 Incentive Regulation Mechanism Rate Application**  
**Niagara Peninsula Energy Inc.**  
**EB-2008-0199 and EB-2008-0200**

**Retail Transmission Service - Connection Rate**

Ref: Manager's Summary (Uniform Retail Transmission Service Rates)

1. It is unclear to Board staff how Niagara Peninsula Energy Inc. determined a 19.2% increase for the Connection Service Rate used in the impact analysis of the deferral balances for connection. Please clarify how this adjustment was determined. Please also undertake the analysis of the impact on the deferral balances for Connection by following the adjustment methodology used last year, which can be found in the "2009 Electricity Distribution Rates FAQs for LDCs under 2<sup>nd</sup> and 3<sup>rd</sup> Generation Incentive Regulation Mechanisms" posted on the Board's website.

**Smart Meter Adder – Implementing Distributor**

Ref: Manager's Summary (Addback of Smart Meter Funding Adder)

2. In accordance with the Board's Guideline for Smart Meter Funding and Cost Recovery (G-2008-0002), distributors conducting smart meter activities must be authorized to do so in accordance with applicable law. Please provide evidence that Niagara Peninsula Energy Inc. has met this requirement.

**Rural or Remote Electricity Rate Protection ("RRRP")**

3. By letter dated December 17, 2008, the Board informed the electricity distributors of the approval it has given to the IESO regarding the level of charge the IESO may apply to its Market Participants for the Rural or Remote Electricity Rate Protection (RRRP) program. In that letter, the Board stated: "Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009."

If Niagara Peninsula Energy Inc. has not done so, please file the required addition to the evidence as outlined in the December 17<sup>th</sup> letter