

August 16, 2010

Delivered by RESS and Courier

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

Attention: Ms. Kirsten Walli, Board Secretary

Re: Niagara Peninsula Energy Inc. 2011 Rate Application - OEB File No. 2010-0138

Dear Ms. Walli:

Niagara Peninsula Energy Inc. ("NPEI") is scheduled to file a Cost of Service Rate Application for 2011 Electricity Distribution Rates, and remains committed to submitting a complete application that conforms to the most recent filing requirements issued by the Board.

In order to prepare a thorough application, NPEI sincerely regrets that we will not be able to meet the August 27, 2010 filing deadline. NPEI will continue to work diligently to submit the application at the earliest possible date.

Factors contributing to the delay are several items that NPEI considers to be key elements necessary to support the rate application:

- An external audit of Smart Meter balances as at June 30, 2010.
- The engagement of Kinetrics Inc. to prepare an Asset Condition Study and Asset Management Plan.
- Full harmonization of Peninsula West Utilities and Niagara Falls Hydro for all components of the rate application, including Conditions of Service.

NPEI apologizes for the delay, and expects to submit the 2011 Cost of Service application by November 30, 2010.

Sincerely,



Brian Wilkie
President & CEO