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March 23, 2012

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

Re: Niagara Peninsula Energy Inc.'s 2012 IRM3 Distribution Rate Application File Number EB-2011-0185

Dear Ms. Walli:

In accordance with the Board's Decision and Order of March 22, 2012, NPEI has reviewed the draft Tariff of Rates and Charges set out in Appendix A of the Decision for completeness and accuracy.

NPEI's review of the Tariff indicates that the Rate Riders for Deferral/Variance Account Disposition (2012) - effective until April 30, 2014 are inaccurate for all rate classes, for both the Niagara Falls Hydro Inc. Service Area and the Peninsula West Utilities Limited Service Area, due to the formula to calculate the Deferral/Variance Rate Rider on Sheet 12 in the IRM3 Rate Generator Model being adjusted for NPEI's unique situation related to PILS. However, PILS was removed from the IRM3 Rate Application, and is being considered in a stand-alone application, but the formula was not updated.

NPEI submits that the correct Deferral/Variance Rate Riders for both the Niagara Falls and Peninsula West service areas are as follows:

Table with 3 columns: Rate Class, Unit, Rate Rider for Deferral/Variance Account Disposition - effective until April 30, 2014. Rows include Residential, General Service Less Than 50 kW, General Service 50 to 4,999 kW, Unmetered Scattered Load, Sentinel Lighting, and Street Lighting.

NPEI has reviewed the entire draft Tariff of Rates and Charges and the revised models provided by the Board, and has not discovered any other inaccuracies or missing information.

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

Sincerely,

A handwritten signature in blue ink that reads "Suzanne Wilson". The signature is written in a cursive style with a large, stylized 'S'.

Suzanne Wilson, CA
VP Finance
Niagara Peninsula Energy Inc.
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