

[REDACTED]

[REDACTED]

I would like to make a few comments regarding the proposed rate increase for NL. Power. My greatest concern is regarding the rate of return which I believe is outrageous. Let me take you back 15-20 years ago when their investors, which then claimed, were receiving a low rate of return compared to other investors elsewhere. At that time they requested a 11% on equity to bring them up to others in the field who were receiving 10-12% . NL were receiving less than that, so to be fair, they were brought up to close to 11%. But that was then when interest rates were high and the bank lending rate was 9 or 10 %, now the rate for prime lending is 3%.

Things have changed a lot over the past several years as far as investment earnings are concerned. To my knowledge, NI. Power shareholders have not seen any appreciable decrease in their rate of return on equity over the past several years even though investors have taken major decreases over that period of time. I believe that any investor who now would be happy to receive a return of 4-5% given the fact that the risks are very low with this company.

Investors who receive 7-8% are in extreme financial risks situations. Therefore, my recommendation is that NL.Power shareholders return on equity should be reduced down to 5-6%. This would free up the extra funds to pay for the increased operating costs and should be more than adequate to cover these costs. This would mean that the rate increase which they are seeking be netted out to zero.

I also noted that the company is forecasting a revenue increase in 2013 of 38 million with a net income increase of 16% over that of the previous year. Most companies would be happy with an increase of 2 or 3%.

As well, Mr. Bob Pike of NL. Power stated publically that operating costs are increasing. I can understand that, but when he stated the items which were increasing, he mentioned the price of oil. However, as you know, this company was granted a 7% increase in July, which I believe,

was for the most part to cover the extra cost of oil. Are they asking for an oil increase again.

Of course, most businesses believe in squestin every last penny and get what they can. I

don't think NL. Power is any different in getting the maximum amount for their shareholders.

However, this is a regulated company which leaves it up to the PUB. if they should be granted any increase at all or even a decrease.

My belief is that given the financial status of this company with the margins of profit that they are making , and the high return on equity which its shareholders are enjoying, that they be given a zero % increase at this time. Many would argue that a decrease would be in order.

I believe that the PUB. will do the proper thing by reducing considerably the rate of return on equity to its shareholders

I thank you for the opportunity.

[REDACTED]