



EB-2010-0159

NOTICE OF APPLICATION AND HEARING

CANADIAN NIAGARA POWER INC.

APPLICATION FOR APPROVAL TO ESTABLISH A DEFERRAL ACCOUNT

Canadian Niagara Power Inc. (the “Applicant” or “CNP”) has filed an application with the Ontario Energy Board, (the “Board”) dated April 9, 2010 requesting Board approval to establish a deferral account to record certain preliminary costs associated with an application by CNP for leave to construct transmission facilities which was denied by the Board.

CNP is a licensed Ontario transmitter which operates a transmission system in the Niagara Falls / Fort Erie area including an international interconnection to US National Grid’s transmission system in Buffalo, New York.

The Board has assigned File No. EB-2010-0159 to this application.

Background

On July 16, 2009, CNP filed an application (EB-2009-0283) under section 92 of *the Act* for an order of the Board granting leave to construct transmission facilities in the Niagara Falls / Fort Erie area to reinforce its existing 115 kilovolt transmission system (the “Project”). On March 29, 2010, the Board issued a decision in which it denied CNPI’s leave to construct application. Consequently, CNPI will not be proceeding with the Project. In its April 9, 2010 application letter, CNP advised that it had made a substantial investment in preliminary costs for the Project, including: System Impact Studies amounting to approximately \$250,000, Engineering, Environmental and Financial Studies amounting to approximately

\$665,000 and accumulated interest during work in progress of approximately \$209,000. These costs together with representation costs and internal costs related to the impact studies and the application have totaled approximately \$1.5 million (the “Preliminary Costs”).

CNP has requested that it be permitted to establish a deferral account to record its Preliminary Costs for the Board’s consideration in a future proceeding. Depending on the outcome of the future proceeding, CNPI may be granted approval to recover the Preliminary Costs from Ontario ratepayers.

Notice to Potential Parties

The Applicant has been directed to immediately serve a copy of this Notice of Application along with a copy of the Application, either personally, by courier, or by registered mail on all parties who are registered intervenors in CNPI’s leave to construct application (EB-2009-0283) as well as interested parties that typically intervene in Board proceedings that establish transmission rates.

How to Participate

You may participate in this proceeding in one of three ways:

1. Send a Letter with your Comments to the Board

Your letter with comments will be provided to the Board members deciding the application and will be part of the public record for the application. If you wish to make an oral presentation to the Board, your letter should include this request. Your letter must be received by the Board no later than **30 days** from the service date of this notice. The Board accepts letters of comment by either post or e-mail at the addresses below.

2. Become an Observer

Observers do not actively participate in the proceeding but monitor the progress of the proceeding by receiving documents issued by the Board. You may request observer status in order to receive documents issued by the Board in this proceeding. If you become an observer, you need to contact the applicant and

others in order to receive documents that they file in this proceeding and they may charge you for this. Most documents filed in this application will also be available on the Board's website. Your request for observer status must be made in writing and be received by the Board no later than **10 days** from the service date of this notice. The Board accepts observer request letters by post or e-mail at the addresses below; however, two paper copies are also required. You must also provide a copy of your letter to the Applicant.

3. Become an Intervenor

You may ask to become an intervenor if you wish to actively participate in the proceeding. Intervenors are eligible to receive evidence and other material submitted by participants in the hearing. Likewise, intervenors will be expected to send copies of any material they file to all parties to the hearing. Your request for intervenor status must be made by letter of intervention and be received by the Board no later than **10 days** from the service date of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the outcome of this proceeding; and if you represent a group, a description of the group and its membership. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the Applicant. The Board may choose to proceed with this application by way of a written or an oral hearing. Your letter of intervention should indicate your preference for a written or oral hearing, and the reason for that preference.

You must file two paper copies and an electronic copy of your intervention request with the Board. If you already have a user ID, please submit the electronic copy of your intervention request through the Board's web portal at www.errr.oeb.gov.on.ca. If you do not have a user ID, please visit the "e-Filing Services" page on the Board's website at www.oeb.gov.on.ca and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines also found on the "e-Filing Services" webpage. Alternately, the electronic copy of your intervention request may be submitted by e-mail at the address below. Those who do not have internet access are required to submit the electronic copy of their intervention request on a CD or diskette in pdf format.

How to Contact Us

In responding to this Notice, please include Board file number EB-2010-0159 in the subject line of your e-mail or at the top of your letter. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's website at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877- 632-2727.

IMPORTANT

IF YOU DO NOT REQUEST TO PARTICIPATE IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE OF THESE PROCEEDINGS.

ADDRESSES

Ontario Energy Board

2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Attn: Ms. Kirsten Walli
Board Secretary

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

E-mail: BoardSec@oeb.gov.on.ca

The Applicant

Canadian Niagara Power Inc.

1130 Bertie Street
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Attn: Mr. Douglas Bradbury
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Tel: 905-994-3634
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DATED at Toronto April 28, 2010
ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary