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June 7, 2010

VIA EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2010-0159 Canadian Niagara Power Inc.
Deferral Account Application – Interrogatories of Energy Probe**

Pursuant to Procedural Order No. 1, issued on May 28, 2010, please find attached the Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2010-0159 proceeding. An electronic version of this communication will be provided in PDF format.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Douglas Bradbury, Canadian Niagara Power Inc. (By email)
Olena Loskutova, Consultant to Energy Probe (By email)
Peter T. Faye, Counsel to Energy Probe (By email)

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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an Application by Canadian
Niagara Power Inc., requesting approval to establish a deferral
account to record certain preliminary costs.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

June 7, 2010

**CANADIAN NIAGARA POWER INC. – DEFERRAL ACCOUNT
EB-2010-0159**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory # 1

Ref: RP-1999-0034, Decision January 18, 2000

The Board's criteria for establishing a deferral account are causation, materiality, management inability to control and prudence.

- a) Does CNPI agree that these criteria apply to this application for a deferral account?**
- b) If yes, please explain how CNPI's preliminary costs for its transmission project described in the application meet each of these criteria.**
- c) If no, please explain why CNPI does not believe the criteria apply.**

Interrogatory # 2

Ref: EB-2009-0283, Evidence

Was CNPI directed by the IESO or other relevant authority to undertake preliminary work associated with the transmission project? If yes, please provide whatever documentation may apply. If no, did CNPI consider consulting with the IESO to establish the project's need before preliminary costs were incurred?

Interrogatory # 3

Ref: EB-2009-0283, Evidence

Did CNPI consult with the Board in advance of undertaking the preliminary work associated with the transmission project to establish whether or not a deferral account would be appropriate? If yes, please provide any relevant documentation. If no, please explain why CNPI decided to proceed with preliminary work without any indication from the Board that the costs incurred would be recoverable.

Interrogatory # 4

Ref: EB-2009-0283, Decision March 29, 2010

The application seeks to record a total of approximately \$1.5 M in a deferral account. On page 13 of the Board's decision in EB-2009-0283 project development costs are noted as \$1.1 M. Please explain the apparent discrepancy.

Interrogatory # 5

Ref: Application, Cover Letter

The application states at the bottom of the application letter that CNPI would like permission *"to establish a deferral account to record its Preliminary Costs for the Board's consideration in a future proceeding"*.

- a) Please explain what sort of future proceeding CNPI contemplates for the Board to consider the deferred costs?**
- b) If the answer to the previous question is a second Leave to Construct application, what circumstances would have to change from those in effect at the time of the Board's decision in EB-2009-0283 to result in a favourable decision for CNPI?**