

## Andrew Taylor, Energy Law

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BY EMAIL and RESS

September 1, 2010

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

Dear Ms. Walli:

### **Re: EB-2010-0159 – Canadian Niagara Power Inc. ("CNPI")**

We are writing in regard to the Board's Decision with Reasons (the "Decision") dated August 18, 2010 in the above-referenced proceeding (the "Proceeding"). Specifically, we are seeking clarification of the Decision.

In the Proceeding, CNPI had requested that the Board approve a deferral account to record its preliminary costs associated with the transmission project (the "Project") that was the subject of EB-2009-0283. As explained in the Proceeding, CNPI had recorded its preliminary costs in Account 2055 - Construction Work in Progress in anticipation that the Project would be constructed and the preliminary costs would be capitalized along with the other costs of the Project. However, because leave to construct for the Project was denied in EB-2009-0283, CNPI requested a new deferral account for the preliminary costs since Account 2055 contemplates the ultimate completion of the work-in-progress. As CNPI stated in the Proceeding, its application was essentially a housekeeping matter, and if it was the Board's preference that the preliminary costs remain in Account 2055 for potential disposition at CNPI's next transmission cost of service rate application, CNPI would not object.

In its Decision, the Board denied CNPI's request for approval of a deferral account. The Board did not comment on the treatment of the preliminary costs going forward. Therefore, it is unclear to CNPI whether the preliminary costs in Account 2055 may potentially be recovered in CNPI's next transmission cost of service rate application.

If the Decision should be interpreted to reflect a finding of imprudence of the preliminary costs, thereby denying the possibility of future recovery, CNPI would like to know so that it can either review or appeal the Decision on the ground that the preliminary costs were denied in the absence of a full prudence review. CNPI is seeking this clarification because it does not wish to initiate an unnecessary review or appeal in the event that the Decision does not preclude the potential future recovery of the preliminary costs.

Because we are seeking this clarification for the purpose of avoiding a potentially unnecessary review, CNPI requests an extension of time to file a motion to review the Decision in accordance with section 7 of the *Rules of Practice and Procedure*. Specifically, we request an extension of 20 days from the date that clarification on the Decision is issued by the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Taylor", with a stylized, cursive script.

Andrew Taylor