

**BY RESS AND COURIER**

January 20, 2011

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

Dear Ms. Walli:

**Re: Niagara West Transformation Corp. Transmission Rate Application (EB-2010-0345)**

Below are the Independent Electricity System Operator's (the "IESO") interrogatories for Niagara West Transformation Corp ("Niagara West") in the above-captioned matter.

**Reference: Application/Page 3-4**

**Preamble:** A paragraph 5 and 6 of the Application Niagara West notes the following:

5. *NWTC is seeking Board approval to update the Uniform Transmission Transformation Connection Rate for Ontario for 2011 so as to permit NWTC to recover its forecasted base revenue requirement of \$838,672 for 2011. Since the requested base revenue requirement is a relatively small component of the total cost of providing transmission transformation connection service in Ontario, NWTC does not anticipate the provincial Uniform Transmission Transformation Connection Rate will be impacted.*
6. *NWTC requests the recovery of the requested base revenue requirement be made effective as of March 1, 2011.*

The IESO observes that the transformer station in question currently is not considered part of the IESO-controlled grid pursuant to an agreement between the IESO and Niagara West dated June 28, 2005, nor is Niagara West currently a registered market participant. Given this circumstance, the IESO would like to understand, should the Ontario Energy Board (the "Board") approve the requested revenue requirement and allocation of transformation connection service pool revenue, how Niagara West foresees the Board's rate order being implemented and administered in this regard.

**Request:**

1. Please confirm that Niagara West is intending to request that the transformer station become and form part of the IESO-controlled grid.
2. Please confirm that Niagara West is intending on becoming a registered market participant.
3. Please confirm that Niagara West understands the requirements and processes for incorporating its transmission facility into the IESO-controlled grid and for becoming a registered market participant.
4. If the answer to (1) and (2) above is not in the affirmative, please explain how Niagara West envisions the requested rate order will be implemented and administered in this regard.

Yours truly,

***Original signed by***

Carl Burrell  
Senior Regulatory Analyst  
Regulatory Affairs  
Independent Electricity System Operator

cc. Ms. Karen Bubish, Niagara West Transformation Corp (by Email)  
Ms. Anne-Marie Reilly, Hydro One Networks Inc. (By Email)