



February 8, 2011

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

Dear Ms. Walli:

**Re: Independent Electricity System Operator ("IESO") Interrogatories
Application by Niagara West Transformation Corporation ("NWTC") for 2011
Electricity Transmission Rates
Board File No. EB-2010-0345**

Enclosed please find NWTC's responses to the interrogatories filed by the IESO in the above noted proceeding.

The interrogatory responses are being filed through the Board's web portal and also sent to you and the parties below by e-mail.

Should there be any questions, please do not hesitate to contact me.

Yours truly,

Karen Bubish
Vice President, Administration
Niagara West Transformation Corporation

Cc: Carl Burrell – IESO
Susan Frank – HONI
Edik Zwarenstein - OEB

Niagara West Transformation Corporation ("NWTC")
Responses to
Independent Electricity System Operator's (the "IESO")
Interrogatories Regarding
Niagara West Transformation Corporation
2011 Electricity Rates for
Transmission Transformation Connection Service

EB-2010-0345

February 8, 2011

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.

Response:

1. NWTC is not intending to request that the transformer station become and form part of the IESO-controlled grid.
2. NWTC is not intending on becoming a registered market participant.

3. On September 29, 2010, NWTC filed an application with the Board under section 60 of the Ontario Energy Board Act, 1998 for renewal of its electricity transmitter licence (EB-2010-0294). The application by NWTC to renew its electricity transmitter licence was granted on December 24, 2010 and was effective to December 23, 2030. In the past, NWTC's transmission facility was not part of the IESO-controlled grid and NWTC was not required to become a registered market participant. With the renewal of its electricity transmitter licence, it is NWTC's understanding that these requirements are still not needed.
4. Please see response to OEB Staff IR 25a