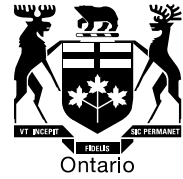


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BY E-MAIL

December 17, 2013

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

Dear Ms. Walli:

**Re: Canadian Niagara Power Inc. - Fort Erie, Port Colborne & Eastern Ontario Power ("CNPI")
2014 IRM Distribution Rate Application
Board Staff Comments
Board File No. EB-2013-0117**

In accordance with the Board's Decision and Order in the above noted proceeding, please find attached Board staff comments on CNPI's Draft Rate Order filed December 10, 2013. CNPI has been copied on this filing.

CNPI's responses to the comments are due on Monday, December 23, 2013.

Yours truly,

Original Signed By

Marc Abramovitz

Encl.

**Canadian Niagara Power Inc. (“CNPI”)
2014 IRM (EB-2012-0117)**

Board Staff Comments on Draft Rate Order

On December 5, 2013, the Board issued its decision and order on CNPI’s rate application (the “Decision”). The Decision required CNPI to file a Draft Rate Order (“DRO”) and supporting calculations within 7 days of the Decision. CNPI filed its DRO on December 10, 2013. The following are Board staff’s comments on the material filed.

Draft Tariff of Rates and Charges for all service territories

For each rate class that contains a Monthly Rates and Charges – Regulatory Component, Board staff notes that the third paragraph beneath the Application section does not match the wording approved in CNPI’s 2013 Board approved Tariff of Rates and Charges. The wording contained in the paragraph should read as follows:

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

Port Colborne Draft Tariff of Rates and Charges

Board staff notes that for all classes, with the exception of the Standby Power and microFIT classes, the Rate Rider for PILs Account Disposition – effective until December 31, 2014 displays a fixed charge. As per CNPI’s current Board approved Tariff of Rates and Charges issued December 20, 2012, the PILs rate rider is a variable charge for all classes.

Furthermore, Board staff notes that the rate description associated with the PILs rate rider stated in the above paragraph should be written as follows:

**Rate Rider for Disposition of Deferred PILs Variance Account 1562 -
effective until December 31, 2013**

Calculation of Rates

Board staff submits that, subject to its comments above, CNPI's models as submitted reflect the Board's approved methodologies and result in appropriate calculations for its rates.

- All of which is respectfully submitted -