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BY E-MAIL

June 1, 2015

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

Dear Ms. Walli:

**Re: Canadian Niagara Power Inc.
Application for Approval of its Transmission Revenue Requirement for
2015 and 2016
Board Staff Submission
Board File No. EB-2014-0204**

In accordance with the Decision and Order issued on May 14, 2015, please find attached the Board Staff comments on the draft rate order filed by Canadian Niagara Power Inc.

As a reminder, CNPI's reply comments are due by June 8, 2015.

Yours truly,

Original Signed By

Martha McOuat
Project Advisor

Canadian Niagara Power Inc. - Transmission
Application for Approval of its Transmission Revenue Requirement
for 2015 and 2016 (EB-2014-0204)
Draft Rate Order

Board Staff Comments

On May 14, 2015, the OEB issued its Decision and Order (the “Decision”) on CNPI’s revenue requirement application. The Decision required CNPI to submit a draft Rate Order (“DRO”) within 10 days of the issuance of the Decision. CNPI submitted its DRO and supporting documentation on May 25, 2015.

Board staff has reviewed the draft rate order and all supporting schedules, and submits that CNPI has correctly reflected the OEB’s Decision in its calculation of 2015 and 2016 revenue requirements.

At page 15 of the Decision, the OEB directed CNPI to file Draft Accounting Orders for the IPL Variance Account and the Regulatory Costs Deferral Account. CNPI was also required to file a revised Draft Accounting Order for its 2015 Foregone Revenue Deferral Account, containing a statement of how carrying charges would be calculated and applied to the balances and sample journal entries for carrying charges.

Board staff notes that, although CNPI has included sample journal entries for all three accounts, the required Draft Accounting Orders have not been provided. Board staff has reviewed the sample journal entries provided for the three accounts and considers them to be appropriate for inclusion in Draft Accounting Orders.

Board staff respectfully requests that CNPI provide complete Draft Accounting Orders which incorporate the sample journal entries provided for all three accounts in its reply submission, similar to the Draft Accounting Order that CNPI provided for its 2015 Foregone Revenue Requirement. All of the Draft Accounting Orders should incorporate a statement of the intended end date for the proposed transactions. In the case of the IPL Variance Account, the end date should specify that transactions should continue until the assets are placed in service and are used or useful.

All of which is respectfully submitted.