



120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1
Tel: (416) 644-1568
Email: ataylor@energyboutique.ca

December 12, 2016

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

Dear Ms. Walli:

Re: EB-2016-0061

On behalf of Canadian Niagara Power Inc. ("CNPI") we are writing in accordance with Procedural Order #1 in which the Board ordered that submissions be made on which unsettled issues should be addressed in writing or be heard in an oral hearing.

The unsettled issues identified in the settlement proposal filed on December 1, 2016, are:

- Issue 1.2 OM&A, no settlement, full issue to hearing.
- Issue 2.1.1 Cost of Capital, partial settlement, the issue of whether and how expected changes in the cost of long-term debt in 2018 should be reflected in rates will go to hearing.
- Issue 4.1 Accounting Standards etc., partial settlement, the discrete issue of the appropriate accounting for Pension and OPEB costs in rates (cash vs. accrual) will go to hearing.
- Issue 4.2 Deferral and Variance Accounts, partial settlement, the issue of whether a variance account related to pension and OPEBs is appropriate will go to hearing, and the issue of whether a variance account should be established for future changes to the cost of long-term debt will go to hearing.
- Issue 4.2.1 Effective Date, no settlement, the issue of whether rates should be effective January 1, 2017 will go to hearing.

CNPI requests that all of the issues listed above be addressed by way of oral hearing. We believe that it will be helpful to the Board to hear from CNPI's witnesses directly and in person, and have the ability to

ask follow-up questions if necessary. As well, we submit that addressing all issues by way of oral hearing will be the quickest and most efficient approach.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Taylor". The signature is fluid and cursive, with the first name "Andrew" being more legible than the last name "Taylor".

Andrew Taylor