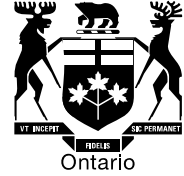


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BY E-MAIL

October 31, 2008

Mr. Adam White
President, AMPCO
372 Bay Street, Suite 1702
Toronto, ON M5H 2W9

Dear Mr. White:

**Re: AMPCO Interrogatories
Niagara-on-the-Lake Hydro Inc. (NOTL)
Application for Approval of 2009 Electricity Distribution Rates
Board File No.: EB-2008-0237**

On October 21, the Board received a copy of AMPCO's interrogatory requests of NOTL in NOTL's 2009 electricity distribution rate application.

On October 22, the Board received a letter from Mr. John De Vellis on behalf of a number of parties, including AMPCO, who have intervened in 2009 rebasing applications. That letter acknowledged the Board's previously expressed concerns regarding the costs of an intervention for smaller distributors and indicated that intervenors would work together to avoid duplication of effort.

On October 27, the Board sent a letter to AMPCO indicating that the Board had reviewed AMPCO's six interrogatories and requesting that AMPCO demonstrate clearly how NOTL's responses to these questions would affect the interests of AMPCO's membership and provide specific reasons for each of its interrogatories. The Board explained that once AMPCO's response was provided, the Board would determine whether NOTL would be required to respond to AMPCO's interrogatories and would be better able to assess the potential value of AMPCO's intervention in the proceeding.

On October 29, the Board received a response from AMPCO that stated, among other things, that AMPCO's "interest in the current 2009 Electricity Rate application process

relates to how utilities interpret and implement the Board's guidelines on cost allocation and rate design, and how the utilities compare to one another". AMPCO indicated further that "Our interrogatories in this case and others will seek to clarify the cost allocation results in a way that leads to overall data improvement, consistently of reporting, and informs more efficient cost allocation and rate design for all customers." AMPCO also clarified that it has "focused its intervention on the issues related to fair allocation of costs and efficient rate design". AMPCO stated that it is mindful of the cost impact of its intervention and would make every effort to work with other intervenors to avoid duplication in its submissions to the Board.

On October 30, the Board received a letter from NOTL regarding AMPCO's October 29 response letter. NOTL noted that AMPCO's response focuses concern on the accuracy of cost allocation data. NOTL submitted that it gathered and assembled its cost allocation data in 2006 based on best efforts and Board guidance. NOTL further noted that it is the Board's mandate to set just and reasonable rates by thoroughly reviewing and approving or adjusting NOTL's cost allocation and rate design data in the best interest of NOTL's customers. NOTL asked the Board to deny AMPCO's intervention in this proceeding.

In this case and in a number of procedural orders that the Board has recently issued in other 2009 electricity distribution rate cases, the Board has expressed its concerns regarding the costs of an intervention that can be relatively significant for a smaller distributor. The Board stated that it will take into account the quality and relevance of interventions. In addition, the Board noted that it would consider any duplication of effort by intervenors in this proceeding.

In its letter to the Board dated October 3, AMPCO acknowledged that no AMPCO member is served directly by NOTL.

The Board notes that the NOTL application before it is a rebasing application under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that NOTL charges for electricity distribution. NOTL's application is not the appropriate place for a broad policy analysis and data gathering exercise related to cost allocation and rate design. Interrogatories for this purpose are not relevant.

The Board also notes that there are overlaps between some of AMPCO's questions and certain interrogatories filed by the Board staff and other intervenors that primarily represent the direct interests of consumers in NOTL's service territory.

The Board has therefore determined that the AMPCO interrogatories are either not relevant or duplicative. NOTL is therefore not required to respond to the AMPCO interrogatories. The Board will take both the relevance and duplicative nature of AMPCO's intervention into consideration in making any cost award to AMPCO at the conclusion of this proceeding.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

cc: James Huntingdon, Niagara-on-the-Lake Hydro Inc.
All other parties