



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

December 1, 2017

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

Dear Ms. Walli:

**Re: Canadian Niagara Power Inc. ("CNPI")
2018 IRM Distribution Rate Application (EB-2017-0031)
CNPI Reply Submission**

CNPI has reviewed the OEB Staff Submission dated November 23, 2017, in which staff made a detailed submission supporting CNPI's request to dispose of its December 31, 2016 Group 1 DVA balances. OEB staff also submitted that CNPI should change its settlement processes with the IESO on a go-forward basis.

CNPI takes no issue with OEB staff submissions and therefore does not intend to file a reply submission. CNPI will adjust its IESO settlement process beginning with January 2018 consumption.

CNPI does however note that the IESO settlement process change suggested by OEB staff cannot be applied retroactively. Therefore CNPI's 2019 IRM application, which will presumably request disposition of 2017 DVA balances, will result in the disposition of 12 months of balances but will require similar adjustments to account for the 1 month lag in 2017 settlements.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 871-0330 extension 3278.

Yours truly,

Original Signed By:

Gregory Beharriell, P. Eng.
Manager Regulatory Affairs