



EB-2008-0342
EB-2008-0343

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O.1998, c. 15, Schedule B;

AND IN THE MATTER OF an application by Great
Lakes Power Limited for an electricity distribution
licence and an electricity transmission licence.

By delegation, before: Jennifer Lea

DECISION AND ORDER

Great Lakes Power Limited filed applications dated October 20, 2008 with the Ontario Energy Board under section 60(1) of the *Ontario Energy Board Act*, 1998 for renewal of its electricity distribution and electricity transmission licences.

The Board's Notice of Application and Written Hearing for an electricity distribution licence was published on December 15, 2008. Dubreuil Forest Products Limited, as the applicant's embedded distributor, was served the Notice on December 11, 2008. The Board's Notice of Application and Written Hearing for an electricity transmission licence was published on December 17, 2008.

In a letter dated December 29, 2008, Algoma Coalition responded to the Notices. Algoma Coalition proposed that each of the applicant's electricity distributor and electricity transmission licences be granted or renewed with the added condition that the applicant be required "to conduct annual stakeholder meetings with major customers and with the Algoma Coalition."

The applicant filed a reply submission on January 8, 2009. The applicant submitted that it does not agree that the proposed condition be added to the two licences.

FINDINGS

The Algoma Coalition's proposal of an annual stakeholder meeting requirement arose from another proceeding, an application for transmission rates. It was agreed to as part of a settlement of issues in that case. The applicant submitted that it has fulfilled its commitment with respect to the matter, the condition proposed by the Algoma Coalition is not included in the licence of any other electricity distributor or transmitter in Ontario, and that the Algoma Coalition has not demonstrated that there have been any deficiencies in the applicant's communications with its stakeholders or any other reason that warrants such a condition being added to the licence.

The Board agrees with the applicant. The fact that the parties agreed to this condition as part of a settlement in a previous proceeding does not mean that this condition should be added as a condition in GLPL's licences. I do not find that there are any circumstances surrounding the utility or its behaviour in regard to settlements reached in its rate cases that persuade me that such a unique condition should be added to the licences. I do not find that it is desirable in this case to use a licence condition as an enforcement tool for a provision in a settlement agreement.

GLPL is licensed as a distributor, transmitter, and generator. Section 71 of the *Ontario Energy Board Act, 1998* states that a "transmitter or distributor shall not, except through one or more affiliates, carry on any business activity other than transmitting or distributing electricity." However, GLPL had an exemption from section 71 of the Act until December 31, 2008. GLPL is currently in the process of bringing itself into compliance with section 71 of the Act by filing a number of licence and MAADs applications. If approved, those applications may result in the cancellation of the licences being issued under this Decision and Order. While I find that it is in the public interest to issue the electricity distribution and electricity transmission licences under Part V of the Act to ensure the continued reliable supply of electricity, I find that instead of the standard 20 year term for the licences, the licences will be issued for a two year term. It is expected that the reorganization of GLPL in order to comply with section 71 of the Act will be completed well within that timeframe.

IT IS THEREFORE ORDERED THAT:

The applications for an electricity distribution licence and an electricity transmission licence are granted, on such conditions as are contained in the attached licences.

DATED at Toronto, February 2, 2009.

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects



Electricity Transmission Licence

ET-2008-0342

Great Lakes Power Limited

Valid Until

February 1, 2011

Original signed by

Jennifer Lea
Counsel, Special Projects
Ontario Energy Board
Date of Issuance: February 2, 2009

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Great Lakes Power Limited
Electricity Transmission Licence ET-2008-0342

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1 Definitions

In this Licence:

"Accounting Procedures Handbook" means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

"Act" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"Affiliate Relationships Code for Electricity Distributors and Transmitters" means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"Board" means the Ontario Energy Board;

"Electricity Act" means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

"Licensee" means Great Lakes Power Limited;

"Market Rules" means the rules made under section 32 of the Electricity Act;

"Performance Standards" means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

"Rate Order" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"transmission services" means services related to the transmission of electricity and the services the Board has required transmitters to carry out for which a charge or rate has been established in the Rate Order;

"Transmission System Code" means the code approved by the Board and in effect at the relevant time, which, among other things, establishes the obligations of a transmitter with respect to the services and terms of service to be offered to customers and provides minimum technical operating standards of transmission systems;

"wholesaler" means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

2 Interpretation

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence to operate a transmission system consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment.

4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the Licensee are set out in Schedule 2 of this Licence. The following Codes apply to this Licence:
- a) the Affiliate Relationships Code for Electricity Distributors and Transmitters; and
 - b) the Transmission System Code.
- 5.2 The Licensee shall:
- a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
 - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.
- 5.3 The Licensee shall ensure that its directors, officers, employees and agents:
- a) provide transmission service in a non-discriminatory manner with respect to its own generation division and other generators;

- b) do not discriminate in matters concerning the availability of transmission services or the curtailment of service;
 - c) do not disclose information considered confidential under the Market Rules with respect to the availability of transmission services or existing or potential transmission transactions including, without limitation, information relating to outages of equipment to any affiliate of the Licensee, any third party or any officer, employee or agent engaged in the business of the Generation Division of the Licensee other than system operators or their immediate supervisors;
 - d) do not disclose information considered confidential under the Market Rules with respect to the provision of generation or the preparation of bids or offers to any officer, employee or agent of the Licensee that is engaged in the business of the Transmission and Distribution Division;
 - e) engaged in the business of the Transmission and Distribution Division of the Licensee do not receive information considered confidential under the Market Rules from any officer employee or agent of the Generation Division of the Licensee with respect to the provision of generation or the preparation of bids; and
 - f) engaged in the business of the Generation Division of the Licensee, other than system operators or their immediate supervisors, do not receive information considered confidential under the Market Rules from any officer, employee or agent of the Transmission and Distribution Division with respect to the availability of transmission services or existing or potential transmission transactions including, without limitation, information relating to outages of equipment.
- 5.4 Despite section 5.3 of this Licence, the disclosure to and receipt by a director or officer of the Licensee of confidential information is permitted where such person requires the information for the due performance of that person's duties and responsibilities or as part of ensuring compliance with the requirements set out in section 5.3.
- 5.5 Despite section 5.3 of this Licence and subject to section 5.6 below, the disclosure and receipt of information considered confidential under the Market Rules is permitted between the Generation Division and the Transmission and Distribution Division where such disclosure would be required or permitted under the Market Rules, or any applicable Board orders, licences, codes or policies, as if the Generation Division and the Transmission and Distribution Division of the Licensee were separate legal entities
- 5.6 The Licensee shall not avail itself of the exception set out in section 5.3.1.3, Chapter 3 of the Market Rules in order to avoid the restrictions on communications contained in section 5.3 of the Licence.
- 5.7 The Licensee shall develop and implement a protocol to assist it in complying with its obligations under section 5.3 of this Licence and the Licensee shall file the protocol and any amendments which it makes to the protocol from time to time.
- 6 Requirement to Enter into an Operating Agreement**
- 6.1 The Licensee shall enter into an agreement ("Operating Agreement") with the IESO providing for the direction by the IESO of the operation of the Licensee's transmission system. Following a

request made by the IESO, the Licensee and the IESO shall enter into an Operating Agreement within a period of 90 business days, unless extended with leave of the Board. The Operating Agreement shall be filed with the Board within ten (10) business days of its completion.

- 6.2 Where there is a dispute that cannot be resolved between the parties with respect to any of the terms and conditions of the Operating Agreement, the IESO or the Licensee may apply to the Board to determine the matter.
- 6.3 After the date the commercial transaction closes, the Licensee shall ensure that the transmission system described in Schedule 1 of this Licence is subject to an operating agreement with the IESO.

7 Obligation to Provide Non-discriminatory Access

- 7.1 The Licensee shall, upon the request of a consumer, generator, distributor or retailer, provide such consumer, generator, distributor or retailer, as the case may be, with access to the Licensee's transmission system and shall convey electricity on behalf of such consumer, generator, distributor or retailer in accordance with the terms of this Licence, the Transmission System Code and the Market Rules.

8 Obligation to Connect

- 8.1 If a request is made for connection to the Licensee's transmission system or for a change in the capacity of an existing connection, the Licensee shall respond to the request within 30 business days.
- 8.2 The Licensee shall process connection requests in accordance with published connection procedures and participate with the customer in the IESO's Connection Assessment and approval process in accordance with the Market Rules, its Rate Order(s) and the Transmission System Code.
- 8.3 An offer of connection shall be consistent with the terms of this Licence, the Market Rules, the Rate Order, and the Transmission System Code.
- 8.4 The terms of such offer to connect shall be fair and reasonable.
- 8.5 The Licensee shall not refuse to make an offer to connect unless it is permitted to do so by the Act or any Codes, standards or rules to which the Licensee is obligated to comply with as a condition of this Licence.

9 Obligation to Maintain System Integrity

- 9.1 The Licensee shall maintain its transmission system to the standards established in the Transmission System Code and Market Rules, and have regard to any other recognized industry operating or planning standards required by the Board.

10 Transmission Rates and Charges

- 10.1 The Licensee shall not charge for the connection of customers or the transmission of electricity except in accordance with:

- a) either the Licensee's Rate Order(s) as approved by the Board or the Rate Order(s) approved by the Board for the licensed owner of the transmission system consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment; and
- b) the Transmission System Code.

11 Separation of Business Activities

- 11.1 The Licensee shall keep financial records associated with transmitting electricity separate from its financial records associated with distributing electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

12 Expansion of Transmission System

- 12.1 The Licensee shall not construct, expand or reinforce an electricity transmission system or make an interconnection except in accordance with the Act and Regulations, the Transmission System Code and the Market Rules.

13 Provision of Information to the Board

- 13.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 13.2 Without limiting the generality of paragraph 13.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) business days past the date upon which such change occurs.

14 Restrictions on Provision of Information

- 14.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator, obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.
- 14.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
 - a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
 - b) for billing, settlement or market operations purposes;
 - c) for law enforcement purposes; or
 - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.

14.3 Information regarding consumers, retailers, wholesalers or generators may be disclosed where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.

14.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.

14.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information is not be used for any other purpose except the purpose for which it was disclosed.

15 Term of Licence

15.1 This Licence shall take effect on February 2, 2009 and expire on February 1, 2011.

16 Transfer of Licence

16.1 In accordance with subsection 18(2) of the Act, this Licence is not transferable or assignable without leave of the Board.

17 Amendment of Licence

17.1 The Board may amend this Licence in accordance with section 74 of the Act or section 38 of the Electricity Act.

18 Fees and Assessments

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

19 Communication

19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

19.2 All official communication relating to this Licence shall be in writing.

19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

- a) when delivered in person to the addressee by hand, by registered mail or by courier;
- b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

20 Copies of the Licence

20.1 The Licensee shall:

- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
- b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1 SPECIFICATION OF TRANSMISSION FACILITIES

This Schedule specifies the facilities over which the Licensee is authorized to transmit electricity in accordance with paragraph 3 of this Licence.

1. Great Lakes Power Limited's Transmission facilities consist of:
 - 318.25 circuit km of 230 kV line and associated equipment;
 - 232.37 circuit km of 115 kV line and associated equipment; and
 - 11 circuit km of 44 kV line and associated equipment which was deemed by the Board as serving a transmission function under section 84 of the Act.

SCHEDULE 2 LIST OF CODE EXEMPTIONS

This Schedule specifies any specific Code requirements from which the licensee has been exempted.