



# **Electricity Transmission and Wholesaler Licence**

## **Cat Lake Power Utility Ltd.**

### **ET-2002-0328**

**Valid Until  
October 31, 2022**

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**Mark C. Garner  
Director of Licensing  
Ontario Energy Board**

**Date of Issuance: October 31, 2002**

**Ontario Energy  
Board**  
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# Electricity Transmission Licence

## 1. Definitions

In this Licence:

“**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 and in effect at the relevant time, 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;

“**Director**” means the Director of Licensing appointed under section 5 of the *Act*;

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

“**Licensee**” means Cat Lake Power Utility Ltd. ;

“**Market Rules**” means the rules made under section 32 of the *Electricity Act*;

“**Performance Standards**” means the performance targets for the transmission and connection activities of the Licensee as established by the Board in accordance with section 83 of the *Act*;

“**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 the transmitter with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards of transmission systems;

“**wholesaler**” means a person that purchases electricity or ancillary services in the IMO-administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IMO-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 and where the time for doing an act expires on a holiday, the act may be done on the next day.

### **3. Authorization Granted under this Licence**

- 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 own and operate a transmission system consisting of the facilities described in Schedule 1 of this Licence.
- 3.2 The Licensee is authorized under Part V of the *Act* to act as a wholesaler for the purposes of fulfilling its obligations under section 29 of the *Electricity Act, 1998*.

### **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 such exemptions shall be set out in Schedule 2 of this Licence:
  - a) the Affiliate Relationships Code for Electricity Distributors and Transmitters,
  - 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.

### **6. Requirement to Enter into an Operating Agreement**

- 6.1 The Licensee shall enter into an agreement (“the Operating Agreement”) with the IMO providing for the direction by the IMO of the operation of the Licensee’s transmission system. Following a request made by the IMO, the Licensee and the IMO shall enter into an Operating Agreement within a period of 100 days, unless extended with leave of the Board. The Operating Agreement shall be filed with the Board within 14 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 IMO or the Licensee may apply to the Board to determine the matter.

## **7. Obligation to Maintain System Integrity**

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

## **8. Obligation to Comply with Performance Standards**

- 8.1 The Licensee shall conduct its business in a manner necessary to achieve any standards, targets and criteria of performance established by the Board in accordance with section 83 of the *Act*.

## **9. Expansion of Transmission System**

- 9.1 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.
- 9.2 In order to ensure and maintain system integrity or reliable and adequate capacity and supply of electricity, the Board may order the Licensee to expand or reinforce its transmission system in accordance with Market Rules and the Transmission System Code, in such a manner as the Board may determine.

## **10. Provision of Information to the Board and Director of Licensing**

- 10.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board or the Director, such information as the Board or the Director may require from time to time.
- 10.2 Without limiting the generality of condition 10.1 the Licensee shall notify the Director 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 within 20 days of the

date upon which such change occurs.

## **11. Restrictions on Provision of Information**

- 11.1 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.
- 11.2 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 operation purposes;
  - c) for law enforcement purposes;
  - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator
- 11.3 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.
- 11.4 The Licensee shall inform consumers, retailers, wholesalers or generators of the conditions under which their information may be released to a third party without their consent.
- 11.5 If the Licensee discloses information under this section, the Licensee shall require the recipient of the information not to use the information for any other purpose except the purpose for which it was disclosed.

## **12. Term of Licence**

- 12.1 This Licence shall take effect as of the date of issuance and terminate on October 31, 2022.

## **13. Transfer of Licence**

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

## **14. Amendment of Licence**

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

**15. Fees and Assessments**

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

**16. Communication**

16.1 The Licensee shall designate a person that will act as a primary contact with the Director of Licensing on matters related to this Licence. The Licensee shall notify the Director of Licensing should the contact details change.

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

16.3 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 or by courier;
- b) 10 days after the date of posting if the communication is sent by registered mail; and,
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

**17. Obligation to Pass Through OPG Rebate**

17.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A.

## Appendix A - Pass Through of Rebate Conditions

“OPGI” means Ontario Power Generation Inc.

“Prime Rate” means the variable annual rate of interest, calculated on the basis of a calendar year, announced from time to time by the IMO’s then principal Canadian banker as the reference rate of interest (commonly known as its prime rate) the in effect and used by such bank for determining interest rates on Canadian dollar denominated commercial loans made by it in Canada to customers of varying degrees of credit-worthiness.

Prompt pass throughs, with the normal bill delivered in respect of the month in which the rebate amount was received, of any rebate received from the IMO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, will be required by the Licensee so that its ultimate customers in Ontario benefit *pro rata* on the basis of energy consumed.

If requested in writing by OPGI, such Licensee shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill:

“ONTARIO POWER GENERATION INC.rebate”

Any rebate amount which cannot be distributed as provided above shall be promptly returned to the IMO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, for use to offset the IMO uplift.

Nothing shall preclude agreements, that require the purchaser to return the rebate or any portion thereof to the seller or any other party.

Pending pass-through or return to the IMO of any rebate received, the Licensee shall hold the funds in trust for the beneficiaries thereof in a segregated account.

## **Schedule 1 Specification of Transmission Facilities**

This Schedule specifies the transmission facilities the Licensee is authorized to own and operate.

The transmission facilities owned and operated by Cat Lake Power Utility Ltd. consist of:

- 18 km of 115 kV line connected to the Hydro One Networks Inc. E1C circuit between Ear Falls and Pickle Lake.
- a 3 MVA substation stepping down from 115 kV to 25 kV
- 75 km of 25 kV line and related equipment which has been determined to be serving a low voltage transmission function by the Director of Licensing 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 exempt.

