

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

April 19, 2010

Helen T. Newland
Fraser Milner Casgrain LLP
Suite 3900
1 First Canadian Place
100 King Street West
Toronto ON M5X 1B2

Dear Ms. Newland:

**Re: Kruger Energy Port Alma Limited Partnership
Application to Amend Electricity Generation Licence EG-2008-0027
Board File Number EB-2010-0169**

This will acknowledge receipt on April 15, 2010 of the above referenced application. The Board has assigned file number EB-2010-0169 to this matter. Please refer to this file number in all future correspondence to the Board regarding this matter. All information related to this matter must be filed with the Board Secretary.

In this application, Kruger Energy Port Alma Limited Partnership ("KEPA") requests an amendment to its electricity generation licence EG-2008-0027 to reflect the removal of the operator qualification for the Port Alma Wind Farm generation facility listed on Schedule 1 of the licence. In the same application, the applicant supports Kruger Energy Inc.'s application for an electricity generator licence in order to operate the Port Alma Wind Farm generation facility and a planned wind generation facility (EB-2010-0151).

On April 16, 2010, the Board issued an interim decision and order granting Kruger Energy Inc. a short-term electricity generation licence pending final disposition of the matter.

On April 16, 2010, an amended licence was also issued to KEPA. **Please be advised that the amended licence (amended on April 16, 2010) was issued to KEPA in error and should not be relied upon. KEPA's original licence remains in effect, a copy of which is attached to this letter for your reference.**

KEPA's application for a licence amendment will be scheduled to coordinate with Kruger Energy Inc.'s application for an electricity generation licence.

Please direct any questions relating to this application to Gona Jaff, Project Advisor at 416- 440-7613 or Gona.Jaff@oeb.gov.on.ca.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary



Electricity Generation Licence

EG-2008-0027

Kruger Energy Port Alma Limited Partnership

Valid Until

April 27, 2028

Original signed by

Jennifer Lea
Counsel, Special Projects
Ontario Energy Board
Date of Issuance: April 28, 2008

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1 Definitions

In this Licence:

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

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

"**generation facility**" means a facility for generating electricity or providing ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or distribution system and includes any structures, equipment or other things used for that purpose;

"**Licensee**" means Kruger Energy Port Alma Limited Partnership;

"**regulation**" means a regulation made under the Act or the Electricity Act;

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 this 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:
- a) to generate electricity or provide ancillary services for sale through the IESO-administered markets or directly to another person subject to the conditions set out in this Licence. This Licence authorizes the Licensee only in respect of those facilities set out in Schedule 1;
 - b) to purchase electricity or ancillary services in the IESO-administered markets or directly from a generator subject to the conditions set out in this Licence; and
 - c) to sell electricity or ancillary services through the IESO-administered markets or directly to another person, other than a consumer, subject to the conditions set out in this Licence.

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 Maintain System Integrity

- 5.1 Where the IESO has identified, pursuant to the conditions of its licence and the Market Rules, that it is necessary for purposes of maintaining the reliability and security of the IESO-controlled grid, for the Licensee to provide energy or ancillary services, the IESO may require the Licensee to enter into an agreement for the supply of energy or such services.
- 5.2 Where an agreement is entered into in accordance with paragraph 5.1, it shall comply with the applicable provisions of the Market Rules or such other conditions as the Board may consider reasonable. The agreement shall be subject to approval by the Board prior to its implementation. Unresolved disputes relating to the terms of the Agreement, the interpretation of the Agreement, or amendment of the Agreement, may be determined by the Board.

6 Restrictions on Certain Business Activities

- 6.1 Neither the Licensee, nor an affiliate of the Licensee shall acquire an interest in a transmission or distribution system in Ontario, construct a transmission or distribution system in Ontario or purchase shares of a corporation that owns a transmission or distribution system in Ontario except in accordance with section 81 of the Act.

7 Provision of Information to the Board

- 7.1 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.
- 7.2 Without limiting the generality of paragraph 7.1 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) days past the date upon which such change occurs.
- 7.3 The Licensee shall inform the Board of any change which might materially affect the operation or ownership of the natural gas pipeline which is used for the purpose of serving the generation facility listed in Schedule 1 of this Licence. Such information shall be filed as soon as practicable, but in any event, not more than twenty (20) days following the date on which such change or sale occurs.

8 Term of Licence

- 8.1 This Licence shall take effect on April 28, 2008 and expire on April 27, 2028. The term of this Licence may be extended by the Board.

9 Fees and Assessments

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

10 Communication

10.1 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.

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

10.3 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; or
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

11 Copies of the Licence

11.1 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 LIST OF LICENSED GENERATION FACILITIES

The Licence authorizes the Licensee only in respect to the following:

1. KEPA Wind Farm, owned and operated by the Licensee near Port Alma, Ontario in the Municipality of Chatham-Kent.