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APPrO

ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

April 30, 2010

**Re: Transmission Project Development Planning
Board File No.: EB-2010-0059**

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 2300 Yonge Street
Toronto, Ontario, Canada M4P 1E4
boardsec@oeb.gov.on.ca

Dear Ms Walli,

By way of this letter, APPrO is seeking a determination from the Board that it is cost eligible in the above-noted proceeding, pursuant to section 3.01 of the Board's Practice Direction on Cost Awards.

APPrO is a non-profit organization representing electricity generators in Ontario. Our members produce nearly all the power generated in Ontario from facilities of many types including gas-fired, hydro-electric, nuclear and wind energy. APPrO members collectively represent a large amount of capital invested in the provincial energy system and are significant users of transmission and distribution services.

APPrO's members are directly affected by the Transmission Project Development Planning proceeding because many of them have or are developing proposals to build generation facilities in the areas that would be served by new transmission facilities under discussion (i.e., areas not currently easily accessible by transmission).

As an organization, APPrO has participated in numerous proceedings before the Ontario Energy Board, and has always tried to participate responsibly and in a way that is of assistance to the Board in its deliberations.

APPrO submits that it should be eligible for costs on the following grounds:

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- (a) APPPrO Represents Consumers in this Proceeding: Power generators are “Transmission Customers” as defined in the Ontario Transmission Rate Schedules. However, in the normal course, generators are not significant Transmission Customers (in terms of transmission revenues), save for when generators are off-line for maintenance or emergency reasons and the generator draws power from the grid. However, in the case of the proposed rules being probed in this proceeding, power generators are arguably the most significant stakeholder group of Transmission Customer that would be impacted by the Board’s determination. Unlike load customers, connection costs that generators pay to HONI are typically very significant up-front investments for generation projects. In some cases, they are determinative as to whether a generation project is economically viable.
- (b) It is in the Public Interest to Facilitate Generator Participation: APPPrO’s members are building and planning new projects in response to OPA procurement programs (and consequent contracts) and Ministerial Directives that incorporate provincial policy objectives. The transmission development planning process interacts directly with the OPA procurement process and Ministerial Directives. All of this is at the heart of this proceeding. Given that these issues are, by and large, “generator issues”, the Board should facilitate the participation of generators in order to provide the best evidentiary basis for its determination. Many of APPPrO’s members are too small to participate individually in a meaningful way in this proceeding. APPPrO’s participation facilitates the participation of such members, and ensures that the Board has before it a comprehensive representation in this proceeding from the power generator community.
- (c) APPPrO’s Participation Contributes to Hearing Efficiency: APPPrO’s representation of its members in such a proceeding would be a much more effective and efficient regulatory approach than having each of its members make their own interventions, with attendant duplication and extra costs. APPPrO has participated similarly in numerous natural gas proceedings (e.g., NGEIR, storage allocation, Enbridge and Union IRM proceeding).
- (d) Proper APPPrO Participation Requires Intervenor Funding: APPPrO, like other trade associations such as the Association of Major Power Consumers in Ontario (“AMPCO”) and the Industrial Gas Users Association (“IGUA”), does not have independent funding sufficient to support well rounded participation. In addition, APPPrO is not able to budget for any Board-convened proceedings in any adequate manner.

Although the Board’s Practice Direction on Cost Awards states that generators are normally among the parties not eligible for costs (section 3.05(b)), APPPrO submits that, for the above-noted reasons and the uniqueness of the issues in this proceeding (and their importance to generators), the Board make an exception to the general rule that electricity generators are not eligible for costs. APPPrO is essentially asking for the Board to exercise its discretion in the same manner as it did in respect of the Transmission Connection Cost Responsibility Review and several recent natural gas proceedings that had unique impacts on power generators (i.e., NGEIR, storage allocation, etc.).

Because the interests of the generator customers and traditional load customers diverge markedly, it is inappropriate that AMPCO and several other customer groups representing industrial, institutional, commercial, and residential end-use customers are automatically eligible for costs, while APPrO is not. Virtually every other participant in this case, including HONI, the Ontario Power Authority (OPA), the Independent Electricity System Operator (IESO), and a variety of end-use customer and public interest groups are either eligible for costs, or are otherwise supported by payments made by customers. In APPrO's view, this has led to an under-representation of power generators in many of the policy and legal issues considered by the Ontario Energy Board. Given the importance of generation moving forward in Ontario, APPrO contends that perpetuating such a situation is not in the public interest.

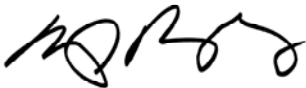
Although we have not yet finalized our consultants and lawyers for this phase of the work, we anticipate using the services of Dave Matthews who assisted with our participation in a number of other transmission and distribution related proceedings.

Mr. Matthews' resume is available on request and his contact information is as follows.

Dave Matthews, VP Regulatory Solutions
Elenchus Research Associates Inc.
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Thank you for your time and attention to this matter.

Sincerely,



Jake Brooks
Executive Director

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