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### SENT BY E-MAIL

Toronto, December 10, 2007

Ms. Kirsten Walli Board Secretary Ontario Energy Board 2300 Yonge Street Suite 2700 PO Box 2319 Toronto, ON, M4P 1E4

Dear Ms. Walli:

## RE: EB-2007-0647, 0649, 0650, 0651 & 0652

In accordance with Procedural Order No. 4 in the above-referenced matter, please see the attached supplementary submissions of Great Lakes Power Limited and Great Lakes Power Transmission LP.

Should you have any questions or concerns please feel free to contact me.

Yours very truly,

Charles Keizer

/mej

Enclosure

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# EB-2007-0647/0649/0650/0651/0652 Applicants' Supplementary Final Submissions

EB-2007-0647 EB-2007-0649 EB-2007-0650 EB-2007-0651 EB-2007-0652

## **ONTARIO ENERGY BOARD**

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 under section 86 of the *Ontario Energy Board Act*, 1998 seeking leave to transfer its transmission system to Great Lakes Power Transmission LP;

**AND IN THE MATTER OF** an application by Great Lakes Power Limited under section 60 of the *Ontario Energy Board Act*, 1998 for an electricity transmission licence;

**AND IN THE MATTER OF** an application by Great Lakes Power Limited under section 18 of the *Ontario Energy Board Act, 1998* seeking leave to transfer its transmission rate order to Great Lakes Power Transmission LP;

**AND IN THE MATTER OF** an application by Great Lakes Power Limited under section 74 of the *Ontario Energy Board Act*, 1998 for a licence amendment;

AND IN THE MATTER OF an application by Great Lakes Power Limited under section 18 of the *Ontario Energy Board Act, 1998* seeking leave to transfer its leave to construct order to Great Lakes Power Transmission LP;

APPLICANTS' SUPPLEMENTARY FINAL SUBMISSIONS

- 1. The Applicants have prepared these supplementary submissions in accordance with Procedural Order No. 4, in which the Ontario Energy Board (the "Board") ordered that the Applicants shall:
  - "...make a submission on the rationale for two parties being licensed as owner and operator at the same time for the same transmission facilities and/or the Applicants shall provide an alternative timing of approvals such that there is only one licensed owner of the transmission facilities and one licensed operator of the transmission facilities at any time."
- 2. Because the proposed transaction (the "Transaction") will be finalized subsequent to the Board granting Section 86 approval, the Applicants proposed that:
  - the GLPTLP license to "own and operate" the facilities at issue (the "Facilities") take effect on the date of the Section 86 approval; and subsequently
  - the GLPL license amendment from "own and operate" to "operate" take effect on the date that the Transaction is finalized.
- 3. The Applicants made this proposal to avoid the circumstance whereby GLPL's license is amended from "own and operate" to "operate" while GLPL continues to own the Facilities until the Transaction closes. By delaying the proposed GLPL license amendment until the Transaction closes, GLPL will remain in compliance with its current license as owner and operator.
- 4. The Applicants understand that the outcome of their proposal will be that both GLPL and GLPTLP will both be authorized to own and operate the Facilities until the Transaction closes, and that GLPL and GLPTLP will both be authorized to operate the Facilities after the Transaction closes. The Applicants believed that this would not be problematic for the Board since an authorization contained in a license allows a licensee engage in certain activities, but does not require that the licensee engage in those activities (i.e. GLPTLP would be allowed to own the Facilities prior to the Transaction, but it would not exercise that ability until the Transaction closes).

- 5. Since filing their Application, the Applicants have become aware of the Board's recent decision (by delegation) dated November 14, 2007 (EB-2007-0636), in which it was explained that it is the Board's preference to avoid simultaneously licensing multiple owners of the same facilities. If the Board wish to avoid this circumstance, the Applicants propose that the Board consider relying on the methodology used by the Board in EB-2006-0175.
- 6. In EB-2006-0175, Abitibi-Consolidated Company of Canada ("Abitibi") proposed to transfer ownership of various generation facilities to an affiliate while maintaining operational responsibility. Abitibi requested that the Board amend its license from "own and operate" to "operate" effective the date of the proposed transaction. The Board approved Abitibi's proposed license amendment, making it effective the date of the proposed transaction by including a definition for "commercial transaction" in the license and two sets of conditions: one set for both before the "commercial transaction"; and one set for after.
- 7. If the Board wishes to use the Abitibi approach in this proceeding, the Applicants suggest that this approach could be implemented as follows:
  - i) Upon the Section 86 approval, amend GLPL's transmission license by included the following bolded language:

### 1 Definitions

"commercial transaction" means the transfer of ownership of all of GLPL's transmission facilities and any related assets, rights and obligations in respect of its transmission business to Great Lakes Power Transmission LP.

#### 3 Authorization Granted Under This License

3.1 (to remain in effect until the date of the commercial transaction)

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 (to take effect the date the commercial transaction closes)

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.

ii) Upon the Section 86 approval, grant GLPTLP a transmission license that includes the following language:

#### 1 Definitions

"commercial transaction" means the transfer of ownership of all of GLPL's transmission facilities and any related assets, rights and obligations in respect of its transmission business to Great Lakes Power Transmission LP.

#### 3 Authorization Granted Under This License

# 3.1 (to take effect the date the commercial transaction closes)

The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence to own a transmission system consisting of the facilities described in Schedule 1 of this Licence.

- 8. The Applicants understand that the authorization proposed above for GLPTLP (i.e. "own") differs from the original authorization proposed in the Application (i.e. "own and operate"). As indicated in the response to Board staff's interrogatory #5, authorization for GLPTLP to "operate" the Facilities was requested in case GLPTLP's activities expand in the future to include more than just ownership (i.e. as a precaution). That interrogatory response also provided that GLPTLP's activities are not expected to expand to "operate" at this time. Therefore, based upon EB-2007-0636, the proposed amendment from "own and operate" to "own" is acceptable to GLPTLP at this time. The Applicants will file the necessary amendments to their Application and pre-filed evidence by December 12, 2007.
- 9. The Board may also wish consider requiring the Applicants to promptly notify the Board when the Transaction closes and to apply to amend their licenses within a period of time (i.e. 3 months) after the Transaction to specifically include the date for the "commercial transaction".

10. For all of these reasons, the Applicants request that the Board adopt the recommendations contained herein.

All of which is respectfully submitted this 10th day of December, 2007.

OGILVY RENAULT, counsel for GREAT LAKES POWER LIMITED, GREAT LAKES POWER TRANSMISSION INC. and GREAT LAKES POWER TRANSMISSION LP

Charles Keizer