



March 24, 2011

Ms. Kirsten Walli
Ontario Energy Board
PO Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4

Re: Notice of Proposal under Section 80 of *Ontario Energy Board Act, 1998*

Dear Ms. Walli,

Pursuant to Section 80 of the *Ontario Energy Board Act, 1998*, please find attached a Notice of Proposal in respect of the above stated generation projects. In keeping with the fundamental principles of the *Green Energy Act, 2009*, Chatham-Kent Hydro Inc. ("CKH") is pursuing the development of renewable energy supply.

The renewable generation facility that is the subject of this Notice is a solar microFIT project with a generation capacity of 10 kW. The project is currently located on CKH property, and is being acquired by CKH from its affiliate, Chatham Kent Utility Services Inc.

If you have any further questions, please do not hesitate to contact Dan Charron at (519) 352-6300, extension 249 or dancharron@ckhydro.com.

Regards,

[Original Signed By]

Andrya Eagen
Senior Regulatory Specialist
Phone: (519) 352-6300 Ext. 243
Email: andryaeagen@ckenergy.com

CC: Dan Charron, Director of Engineering and Technical Services
Chris Cowell, Chief Financial and Regulatory Officer
David Ferguson, Director of Regulatory Affairs and Risk Management

Ontario Energy Board
Preliminary Filing Requirements
For a Notice of Proposal under Sections 80 and 81
Of the Ontario Energy Board Act, 1998

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties

1.1.1 Applicant

Name of Applicant Chatham-Kent Hydro Inc.	File No: (Board Use Only)
Address of Head Office 320 Queen Street, PO Box 70 Chatham, Ontario N7M 5K2	Telephone Number (519) 352-6300
	Facsimile Number (519) 351-4059
	E-mail Address dancharron@ckhydro.com
Name of Individual to Contact Dan Charron Chatham-Kent Hydro Inc. 320 Queen Street, PO Box 70 Chatham, Ontario N7M 5K2	Telephone Number (519) 352-6300 Ext. 249
	Facsimile Number (519) 351-4059
	E-mail Address dancharron@ckhydro.com

1.1.2 Other Parties to the Transaction or Project
If more than one attach list

Name of Applicant	File No: (Board Use Only)
Address of Head Office	Telephone Number
	Facsimile Number
	E-mail Address
Name of Individual to Contact	Telephone Number
	Facsimile Number
	E-mail Address

1.2 Relationship between Parties to the Transaction or Project

1.2.1	<p>Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.</p> <hr style="border: 0.5px solid black;"/> <p>PARTY</p> <p><u>Chatham-Kent Hydro Inc. ("CKH")</u> Dave Kenney, President Greg Aarssen, Secretary Michael Cadotte, Independent Director Randy Hope, Director Brian McKerlie, Chair Patrick McMahon, Independent Director Wayne Schnabel, Independent Director Wesley T Thompson, Director</p> <p><u>Chatham-Kent Utility Services Inc. ("CKUS")</u> Tomo Matesic, President Fred Hassan, Chair Victor Lu, Director Art Sterling, Director Patrick Weaver, Director</p>	
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1.2.2	<p>Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.</p> <hr/> <p>Please see attachment 1.1.2</p>	
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1.3 Description of the Businesses of Each of the Parties

1.3.1	<p>Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licensed under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licensed under the OEB Act in Ontario ("Electricity Sector Affiliates").</p> <hr/> <p><u>Chatham-Kent Hydro Inc. (CKH)</u> Chatham-Kent Hydro owns, operates and manages the assets associated with the distribution of electrical power with the territory set out in the electrical distribution license. License ID: ED-2002-0563</p> <p><u>Chatham-Kent Utility Services ("CKUS")</u> Chatham-Kent Utility Services Inc. provides billing, collection, administration, financial and regulatory services to Chatham-Kent Hydro Inc., Middlesex Power Distribution Corporation and the Chatham-Kent Public Utilities Commission, which operates the water and waste-water systems in the Municipality of Chatham-Kent. License ID: ES-2009-0049</p>	
1.3.2	<p>Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.</p> <hr/> <p>CKH's service area is as follows: Town of Blenheim, Town of Bothwell, City of Chatham, Town of Dresden, Village of Eriau, Police Village of Merlin, Town of Ridgetown, Village of Thamesville, Town of Tilbury, Town of Wallaceburg, Village of Wheatley, and Part Lots 16 & 17, Concession A, Geographic Township of Raleigh, designated as Part 1, Reference Plan 24R 7195, Municipality of Chatham-Kent, and Part Lot 17, Concession A, Geographic Township of Raleigh, designated as Part 2, Reference Plan 7195, Municipality of Chatham-Kent.</p> <p>There is currently one generation facility located at 320 Queen Street, Chatham, Ontario, within CKH's distribution territory.</p>	
1.3.3	<p>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.</p> <hr/> <p>The current generation facility was connected in November 2010 with year ending annual sales of \$465.90 and annual output of 0.581 MWh.</p>	

1.3.4	<p>Attach a list identifying all relevant Board licenses and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.</p> <hr/> <p>Chatham-Kent Hydro Inc.- ED-2002-0563 Chatham-Kent Utility Services- ES-2009-0049</p>	
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1.4 Current Competitive Characteristics of the Market

1.4.1	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.</p> <hr/> <p>The Applicant currently owns generation capacity at 320 Queen Street, Chatham Ontario. This location has 0.010 MW of capacity.</p>	
1.4.2	<p>Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.</p> <hr/> <p>The total Annual Ontario Energy Demand for 2009, as posted on the IESO's website, is 139 TWh. The current facility's generation would represent a fraction of one percent of the Annual Primary Demand within Ontario.</p>	

1.5 Description of the Proposed Transaction or Project and Impact on Competition – General

1.5.1	<p>Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.</p> <hr/> <p>Not applicable.</p>	
1.5.2	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <hr/> <p>Not applicable.</p>	

1.5.3	Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project. Not applicable.	
1.5.4	Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers. Not applicable.	
1.5.5	Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why. Not applicable.	

1.6 Other Information

1.6.1	Attach confirmation that the parties to the proposed transaction or project are in compliance with all license and code requirements, and will continue to be in compliance after completion of the proposed transaction or project. Upon completion of the projects, the Applicant will be and will continue to be in compliance with any code requirements.	
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PART II: SECTION 80 OF THE ACT – TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY.

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition

2.1.2	Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use. The current generation output is offered into the distribution grid and sold pursuant to the FIT contract.	
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2.1.3	<p>Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation a year, and peaking versus base-load character.</p> <hr/> <p>Fuel Source – Solar Technology – Photovoltaic using Solectria Inverter Max Capacity – 10 kW Hours of Operation – 1,200 to 1,400 Peak versus Base-load Character – Variable</p>	
2.1.4	<p>Provide details on whether the generation facility is expected to sign a “must run” contract with IESO.</p> <hr/> <p>Not applicable.</p>	
2.1.5	<p>Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints.</p> <hr/> <p>Not applicable.</p>	

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or projection is required for system reliability under section 82(2)(b) of the Act.

2.2.1	<p>Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.</p> <hr/> <p>Not applicable.</p>	
2.2.2	<p>Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts.</p> <hr/> <p>Not applicable.</p>	
2.2.3	<p>Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.</p> <hr/> <p>Not applicable.</p>	
2.2.4	<p>Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain.</p> <hr/> <p>Not applicable.</p>	

**PART III: SECTION 81 OF THE ACT – GENERATORS ACQUIRING AN INTEREST IN OR
CONSTRUCTING A TRANSMISSION OR DISTRIBUTION SYSTEM**

All applicants filing a Notice of Proposal under Section 81 of the Act must complete and file the information requested in Part III.

3.1 Effect on Competition

3.1.1	Provide a description of the transmission or distribution system being acquired or constructed. <hr/> Not applicable.	
3.1.2	Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed. <hr/> Not applicable.	
3.1.3	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints. <hr/> Not applicable.	
3.1.4	Provide details on whether the generation facilities are expected to sign a “must run” contract with the IESO. <hr/> Not applicable.	

Attachment 1.1.2

Corporate Organization Chart – The Chatham-Kent Energy Group

