

Board Staff Interrogatories

**Electricity Transmission Licence
Application**

**Upper Canada Transmission Inc. (“Upper
Canada”)**

EB-2011-0222

July 20, 2011

1. Reference: Application, Section 7. Financial Information

a) In its decision granting a transmission licence to Chatham-Kent Transmission Inc. (EB-2010-0351), the Board indicated that in a licensing application, it would “review to some degree the applicant’s financial status [and] its potential for access to further financial resources”. Please describe Upper Canada’s plans for financing any Ontario transmission facilities it may construct, including its potential for access to any necessary further financial resources.

b) Upper Canada has provided the financial statements of NextEra Energy, Inc. in support of its financial position, as Upper Canada is a newly created entity for which financial statements have not yet been prepared. In these circumstances, the Board may require a parental guarantee. Please confirm that NextEra Energy Inc. has reviewed the Board’s standard parental guarantee form (attached) and that NextEra Energy Inc. is prepared to sign the guarantee, should the Board consider such assurance necessary.

2. Reference: Application, Section 9. Technical Ability

Upper Canada has described the technical ability of its parent company and affiliates to carry out electricity transmission activities and also states that it intends to contract local engineering and construction consultants to develop transmission facilities in Ontario. Will the same technical resources be employed to address technical matters related to the operation and maintenance of the transmission facilities? If not, please describe Upper Canada’s plans.

3. Request for Temporary Exemptions

a) In the recent EB-2010-0324 and EB-2010-0403 decisions, the Board denied requests for temporary exemptions from the ARC by other applicants for a transmission licence. The Board has not yet granted to any transmission licence applicant a broadly based temporary exemption from the ARC such as that sought by Upper Canada. It is possible that the Board may deny the exemption

request. Please indicate if Upper Canada would wish to be licensed if the Board granted a licence without the temporary exemption from the ARC.

- b) With respect to the RRR compliance in its EB-2010-0324 decision the Board stated “...*some of the reporting and record-keeping requirements under section 3 of the RRR will, by definition, not apply to TransCanada Transmission unless and until it has transmission assets in the Province. However, a number of these requirements ... should apply as of the date of licensing. These include, most notably, the reporting and record-keeping requirements related to compliance with the ARC, which itself is a condition of the licence granted in this proceeding.*” In the Board’s recent EB-2010-0403 decision the RRR exemption request has also been denied. In light of these decisions, is Upper Canada prepared to withdraw its request for a temporary exemption from the RRR? If not, please indicate if Upper Canada would wish to be licensed if the Board granted a licence without the temporary exemption from the RRR.

**Guarantee in support of an application [EB 200x-xxxx]
to the Ontario Energy Board for issuance of a [Licence Type]**

Whereas [Guarantor] is the ultimate parent of [Licence Applicant];

And whereas [Licence Applicant] has applied to the Ontario Energy Board for a [Type of Licence] [EB-200X-00XX] (the "Licence");

[Guarantor] hereby irrevocably, absolutely, and unconditionally guarantees to the Ontario Energy Board ("OEB") the due, punctual, and full performance and observance by [Licence Applicant] and its successors and assigns all of the conditions, rules, regulations, terms, covenants, agreements, undertakings, and obligations (present and future, contingent or otherwise) of or related to, the Licence in accordance with the terms thereof, (each such condition, rule, regulation, term, covenant, agreement, undertaking or obligation hereinafter referred to, individually as a "Guaranteed Obligation" and, collectively, as the "Guaranteed Obligations").

If for any reason whatsoever [Licence Applicant] shall fail or be unable to duly, punctually, and fully perform or observe any such Guaranteed Obligation, [Guarantor] shall perform or observe such Guaranteed Obligation or cause such Guaranteed Obligation to be performed or observed, without regard to any exercise or non-exercise by OEB of any right, power or privilege under or in respect of the Licence or the Guaranteed Obligations. This Guarantee shall be direct, immediate, and primary and is not conditioned or contingent upon any demand on, or upon any other event, contingency or circumstances whatsoever or on OEB having made any demand on [Guarantor] pursuant to the Licence.

[Signature]

[Title of Signing Officer]
[Guarantor]

I have authority to bind the corporation.

[Date]