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July 22, 2011

**RESS, EMAIL & COURIER**

Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

**Re: Application by AltaLink Ontario LP for an Electricity Transmission Licence  
(EB-2011-0126) - Submissions of Great Lakes Power Transmission LP**

We are counsel to Great Lakes Power Transmission LP ("GLPT") in the above-referenced proceeding. Attached are the submissions of GLPT.

Yours truly,

A handwritten signature in black ink, appearing to be "J. Myers", written over a horizontal line.

Jonathan Myers

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cc: M. Rodger, Counsel to AltaLink  
S. Hodgkinson, AltaLink  
A. McPhee, GLPT  
C. Keizer, Torys LLP  
A. Reilly, Hydro One

## 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 AltaLink Ontario Management Ltd. on behalf of AltaLink Ontario L.P. ("AltaLink") under section 60 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B) for an electricity transmission licence.

### SUBMISSION OF

#### GREAT LAKES POWER TRANSMISSION LP ("GLPT")

1. These submissions focus strictly on AltaLink's requested temporary exemption from the *Affiliate Relationships Code for Electricity Transmitters and Distributors* (the "ARC").
2. In its application, AltaLink initially requested that the Electricity Transmission Licence that it seeks provide for a temporary exemption to all licence conditions that are not applicable on account of AltaLink not owning or operating any transmission assets in Ontario, until such time as AltaLink is designated by the Board to undertake transmission development work or such time as AltaLink otherwise owns or operates transmission assets in Ontario. As part of this request, AltaLink submitted that it should not be obligated to comply with the ARC at least until such time as it may become designated.
3. By way of its response to Hydro One Interrogatory #2(b), AltaLink amended and narrowed the scope of its requested exemption. AltaLink now requests a temporary exemption only from Section 2.3 of the ARC, which would be effective until such time as AltaLink is designated by the Board to undertake transmission development work in Ontario or the date AltaLink otherwise owns or operates transmission assets in Ontario (the "Temporary Exemption").
4. It is GLPT's submission that the Board's primary consideration in reviewing AltaLink's request for the Temporary Exemption should be the need to ensure there will be a level playing field for all participants in a proceeding to designate a transmitter to develop a transmission project. Accordingly, in GLPT's view, the Temporary Exemption should either (a) be applied to all participants in such a designation proceeding or (b) denied in respect of AltaLink. To do otherwise would be to provide a potential competitive advantage to AltaLink.
5. As indicated in its response to Hydro One Interrogatory #2(c), AltaLink expects that it will need to retain the services of its affiliates to assist in developing and filing a Transmission Project Development Plan. In respect of the procurement of such services from its affiliates, which would be undertaken prior to the date that AltaLink could potentially become designated, AltaLink takes issue with the application of the requirements under Section 2.3 of the ARC. These requirements could, among other

things, oblige AltaLink to prepare a business case analysis, conduct a fair and open competitive bidding process and to retain an independent evaluator to report on how the competitive bids meet the established criteria. AltaLink states in its response that the application of Section 2.3 of the ARC would have “the effect of mandating that AltaLink Ontario comply with a public tendering process prior to preparing a Transmission Project Development Plan even though no ratepayer money is being used to fund that effort.”

6. In GLPT’s view, AltaLink’s understanding of the effect of applying Section 2.3 of the ARC is not necessarily correct. While AltaLink is correct that no ratepayer money would be used to fund the preparation of a Transmission Project Development Plan by AltaLink in the event that it is ultimately not successful in a designation proceeding, if AltaLink were to succeed in a designation proceeding then it is expected that ratepayer money would indeed be used to fund its efforts in preparing the Transmission Project Development Plan. In EB-2010-0059, the Board issued its *Policy Framework for Transmission Project Development Plans* on August 26, 2010 (the “Policy Framework”). On p. 12 of the Policy Framework, the Board states that “only the transmitter that is successful in being designated will be able to recover its costs of preparing a plan.”
7. Being exempt from Section 2.3 of the ARC would enable AltaLink to incur costs in the preparation of its Transmission Project Development Plan through the procurement of services from affiliates without any risk that it will not be able to recover its costs for such services, in the event it is designated, on account of the requirements in Section 2.3. The ability to avoid this risk on the basis of the Temporary Exemption has the potential to provide AltaLink with a competitive advantage. Accordingly, all designation process participants should be entitled to procure services from their respective affiliates in the course of preparing their respective Transmission Project Development Plans without the risk of being denied recovery of such costs on account of the requirements in Section 2.3 of the ARC, in the event of being designated. If the Board is not inclined to apply the Temporary Exemption for all designation process participants, then AltaLink’s request for the Temporary Exemption should be denied.