

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4
Telephone: (416) 481-1987
Facsimile: (416) 440-7885

Commission de l'énergie de l'Ontario
CP. 2319
2300, rue Yonge
26^e étage
Toronto (ON) M4P 1E4
Téléphone: (416) 481-1987
Télécopieur: (416) 440-7885



BY E-MAIL

December 4, 2009

Ms. Helen Newland
Fraser Milner Casgrain LLP
1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1B2

Dear Ms Newland,

I am writing in response to your letter of October 20, 2009 to the Ontario Energy Board. I apologize for the length of time it has taken for me to respond. Your letter stated that:

- KEI
 - Is the operator of the Port Alma Wind Farm
 - Is the operator of the Port Alma Transmission Line
 - will be the operator of the Chatham Project (a 101.2 MW wind farm)
 - will be the operator of the Chatham Connection Line
 - does not currently have an Ontario Energy Board licence
- KEPA
 - owns the Port Alma Wind Farm and has an OEB licence
 - owns the Port Alma Transmission Line and does not have or require an OEB licence as per section 57 of the Ontario Energy Board Act by virtue of the exemption of O. Reg. 160/99 sub-clause 4.0.2(1)(d)(i)
- KEC
 - will be the owner of the Chatham Project
 - will be the owner of the Chatham Connection Line

In your letter you seek confirmation from the Board that KEC and KEI would be exempt from the requirement for a transmission licence in respect of the Chatham Connection Line. You also seek confirmation that KEPA and KEI would be exempt from the requirement for a transmission licence in respect of their use of the Port Alma Transmission Line to convey electricity generated by the Chatham Project.

Board records show that on March 7, 2008 the Board issued a Letter of No Review to KEPA with respect to the Port Alma Wind Farm.

After conferring with other Board staff on the above issues and based on the information provided in your letter, I would recommend that:

- o KEI will need to obtain a generation licence from the Board if it is the operator of the Port Alma Wind Farm and KEPA will need to amend its licence to be only the owner
- o KEI will need to amend this licence to include the Chatham Project when these facilities become operational and if KEI becomes the operator of them
- o KEI will not require a transmission licence to operate the Port Alma Transmission Line by virtue of O. Reg. 161/99 sub-clause 4.0.2(1)(d)(i)
- o Assuming KEI will have a generators licence KEI will have to submit a notice under section 81 of the OEB Act to be able to operate the Port Alma Transmission Line and the Chatham Connection Line

Please be mindful that these are my recommendations and not the opinion of the Ontario Energy Board and do not bind the Board in any way. All applications before the OEB will be considered by the decision maker(s) and they will render their decision accordingly.

Sincerely,

Original signed by

Adrian Pye
Manager,
Licence Applications