



November 25, 2011

VIA COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P. O. Box 2319
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: APPLICATION FOR AMENDMENT TO ALGOMA POWER INC. ("API")
ELECTRICITY DISTRIBUTION LICENCE (EB-2009-0072)**

Application

API submits this letter as an application to amend the above captioned electricity distribution licence pursuant to Section 74 of the *Ontario Energy Board Act, 1998*. Specifically, the Application is to make the following change to Schedule 3 List of Code Exemptions; (i) include the exemptions to Sections 2.2.2 and 2.2.3 of the Affiliate Relationships Code and Section 2.5.3 of the Standard Supply Service Code and reference the Services Agreement dated September 15, 2010 and filed with the OEB and (ii) include a complete and up-to-date list of affiliates to which the exemptions apply as per Services Agreement dated September 15, 2010 and filed with the OEB.

Statement of Facts

Ontario Energy Board (“OEB”) Issued Licences

The following OEB Licences are referenced in this Application.

<i>Entity</i>	<i>OEB Licence</i>	<i>Date</i>
FortisOntario (“FO”)	EG-2003-0107	January 28, 2010
CNPI	ET-2003-0093	September 8, 2008
API	ED-2009-0072	November 12, 2010
Cornwall Electric	ED-2004-0405	January 22, 2009
Fortis Properties Corporation (“FPC”)	EG-2003-0106	

Organization of Entities

For a corporate organization chart for FO and its licensed affiliates, please see Schedule A to this application. CNPI, API and Cornwall Electric are wholly-owned subsidiaries of FO, which is a wholly-owned subsidiary of Fortis Inc (“Fortis”). FPC is also a wholly-owned subsidiary of Fortis, which is a publicly traded company listed on the TSX.

The utility transmission and distribution business for the service areas of Fort Erie, and Gananoque are owned by CNPI. The utility distribution assets for the service territory of Port Colborne are leased by CNPI from Port Colborne Hydro Inc., a wholly-owned subsidiary of the Corporation of the City of Port Colborne. The utility distribution business for the Cornwall service area is owned by Cornwall Electric. Both FO and FPC own generation businesses in Ontario.

Shared Services

On September 30, 2010, Fortis Ontario filed an amended multi-party services agreement dated September 15, 2010 that pertains to FO, CNPI, Cornwall Electric, API and FPC. The filed multi-party services agreement was a material change to the September 15, 2005 agreements. The September 15, 2010 services agreements now include API. API was acquired by FON on October 8, 2009. API is filing this Application to request that its licence be amended to include exemptions to sections 2.2.2 and 2.2.3 of the Affiliate Relationships Code based on the same conditions required of the Licencees.

Statutory Provision for Amendment

Section 74 of the *Ontario Energy Board Act, 1998* (the “Act”) is the statutory provision that enables the Board to amend the Licence to make the changes referred to herein.

Nature of Order Sought

Algoma Power Inc. seeks an order amending the following conditions to Schedule 3 of the captioned licence, by adding the following:

1. The Licensee is exempt from the requirements of the following sections of the Affiliate Relationships Code for Electricity Distributors and Transmitters under the conditions specified in section 2 of this Schedule:

Section 2.2.2

Where a utility shares information services with an affiliate, all confidential information must be protected from access by the affiliate. Access to a utility's information services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. A utility shall, if required to do so by the Board, conduct a review of the adequacy, implementation or operating effectiveness of the access protocols and associated contractual provisions which complies with the provision of section 5970 of the CICA Handbook. A utility shall also conduct such a review when the utility considers that there may have been a breach of the access protocols or associated contractual provisions and that such review is required to identify any corrective action that may be required to address the matter. The utility shall comply with such directions as may be given by the Board in relations to the terms of section 5970 review. The results of any such review shall be made available to the Board.

Section 2.2.3

A utility shall not share with an affiliate that is an energy service provider employees that are directly involved in collecting, or have access to, confidential information.

2. The Exemptions from the requirements of the Affiliate Relationship Code for Electricity Distributors and Transmitters referred to section 1 of this Schedule (the "Exemptions") are subject to the following conditions:
 - a) The exemptions only apply in respect of the relationship between the Licensee and the following affiliates and not with respect to any other affiliates of the Licensee:

FortisOntario Inc.;

Fortis Properties Corporation; and

Cornwall Street Railway Light and Power Company Limited.

Canadian Niagara Power Inc

- b) The Licensee shall not share facilities, confidential information or employees with any affiliate identified in paragraph a) for any purpose other than the provision of services to, or the receipt of services from, the affiliate under the Services Agreements dated September 15, 2005 (the "Services Agreements") as filed with the Board as part of the materials filed in support of the application for the Exemptions, as such Services Agreements may be amended from time to time.

- c) The activities of the Licensee relative to the affiliates identified in paragraph a) shall be governed by, and the Licensee shall be bound by and comply with, the Services Agreements, as amended from time to time.

- d) The Licensee shall notify the Board of any material change relative to the materials filed in support of the application for the Exemptions as soon as possible upon becoming aware of such change and in no event later than fifteen days following the date on which the change occurs. Without limiting the generality of the foregoing, this obligation includes notifying the Board in the

event of a change in the market activities of either FortisOntario Inc. or Fortis Properties Corporation.

e) The Board may, on its own initiative or upon receipt of notice from the Licensee under paragraph d), by order revoke one or more of the Exemptions, vary one or more of the conditions set out above or impose additional conditions upon becoming aware of any material change relative to the materials filed in support of the application for Exemptions, or for such other reason as the Board considers appropriate.

3. The Licensee is exempt from the requirements of section 2.5.3 of the Standard Supply Service Code with respect to the price for small/residential consumers, subject to the Licensee offering an equal billing plan as described in its application for exemption from the Fixed Reference Price, and meeting all other undertakings and material representations contained in the application and the materials filed in connection with it.

API believes that no parties are affected by the amendments being sought. As such, API respectfully requests that there be no requirement for it to serve notice of this application on any parties. Further, API requests that the Board dispose of these matters without a hearing under Section 21 (4) (b) of the Act as no person will be adversely affected in a material way by the outcome of the proceeding.

Yours truly,

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Attachments