



EB-2011-0401
EB-2011-0402
EB-2011-0403
EB-2011-0404

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF applications by Algoma Power Inc., Cornwall Street Railway Light and Power Company Limited, and Canadian Niagara Power Inc. pursuant to section 74 of the *Ontario Energy Board Act, 1998* for certain amendments to distribution licences ED-2009-0072, ED-2004-0405 and ED-2002-0572, and transmission licence ET-2003-0073, respectively.

By delegation, before: Jennifer Lea

DECISION AND ORDER

The Application

On March 3, 2012, Algoma Power Inc. (“Algoma Power”) filed a revised licence amendment application related to applications by Cornwall Street Railway Light and Power Company Limited (“Cornwall Electric”), and Canadian Niagara Power Inc. (“CNPI”) with the Ontario Energy Board under section 74 of *Ontario Energy Board Act, 1998* (the “Act”). The applicants, as affiliates, request certain amendments to the distribution licences of Algoma Power (ED-2009-0072), Cornwall Electric (ED-2004-0405), and CNPI (ED-2002-0572), and the transmission licence of CNPI (ET-2003-0073). The Board assigned the applications file numbers EB-2011-0401/402/403/404. Due to the related nature of the applications I have proceeded to combine the applications into one proceeding pursuant to section 21(5) of the Act.

The amendments sought would grant Algoma Power, a new affiliate of CNPI, certain

exemptions that currently apply to CNPI and Cornwall Electric, as well as updating the date listed for the new multi-party Services Agreement between CNPI and all its affiliates.

The exemptions, with appropriate conditions, requested to be included on Algoma Power's distribution licence are to section 2.2.2 and 2.2.3 of the Affiliate Relationships Code for Electricity Distributors and Transmitters (the "ARC"). Similar exemptions currently exist for FortisOntario Inc., Fortis Properties Corporation, Cornwall Electric and CNPI. The exemptions were granted to these companies by the Board in its Decision and Order dated August 31, 2004 (RP-2003-0254 / EB-2003-0318). In addition, Algoma Power requested it be exempt from section 2.5.3 of the Standard Supply Service Code ("SSSC") to which the other named companies are also exempt. Since section 2.5.3 of the SSSC no longer exists, Algoma Power deferred to the Board's judgement as to whether the amendment should be made to its licence.

With respect to Cornwall Electric's and CNPI's distribution licence and CNPI's transmission licence, the applicants requested the following amendments:

1. In the List of Code Exemptions (Schedule 3 of the distribution licences and Schedule 2 of the transmission licence): include in Section 2 part a, Algoma Power Inc. as an affiliate;
2. In the List of Code Exemptions (Schedule 3 of the distribution licences and Schedule 2 of the transmission licence): change a reference to the date of the Services Agreement from "September 15, 2005" to "September 15, 2010".

The applicants have requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act.

I find that no person will be adversely affected in a material way by the outcome of this proceeding, and therefore have disposed of this matter without a hearing.

Findings

Algoma Power Inc Exemptions

Cornwall Electric and CNPI are wholly owned subsidiaries of FortisOntario Inc. On October 8, 2009, Algoma Power was purchased by FortisOntario Inc. In its application Algoma Power states the exemptions are necessary for the affiliates of FortisOntario Inc. to share certain corporate services. CNPI and its affiliated entities were granted exemptions to sections 2.2.2 and 2.2.3 of the ARC by the Board, which allow the corporate entities to access the services referenced in the Services Agreement. These exemptions are currently listed in the respective licences of the parties to that Services Agreement. Algoma Power was made a party to the Services Agreement to contractually bind it to the common pool of services and to apportion to it part of the service costs. Algoma Power stated that the exemptions to the ARC are necessary for Algoma Power to receive services pursuant to the Services Agreement.

Algoma Power stated that the execution of the Services Agreement does not bring harm to the customer and does not contradict the intent and the goals of the ARC. Rate payers are not exposed to additional harm and affiliates are not granted preferential access, do not gain unfair business advantages and do not cross-subsidize one another. The exemptions relate only to the access of information and services that may normally be considered protected during the course of providing the specified services.

I find that the applications should be granted. The exemptions to the ARC are necessary for Algoma Power to operate effectively as an affiliate of CNPI and Cornwall Electric, and do not cause harm to the ratepayers of Algoma Power. Algoma Power's request for exemption to section 2.2.2 and 2.2.4 of the ARC, with the appropriate conditions, is granted, and Algoma Power Inc. will be included in the list of affiliates in the relevant sections of Cornwall Electric and CNPI's distribution licences, and CNPI's transmission licence.

With respect to Algoma Power's request for exemption from section 2.5.3 of the SSSC, I find that the exemption is unnecessary, as that section of the SSSC no longer exists. Therefore, Algoma Power's request for exemption to 2.5.3 of the SSSC is denied.

Change of date for Shared Services Agreements

On September 15, 2010 FortisOntario Inc. filed with the Board an amended multi-party Services Agreement that pertains to Algoma Power, Cornwall Electric and CNPI, dated

September 15, 2010. This multi-party Services Agreement replaces an earlier Services Agreement dated September 15, 2005 that is referred to in Schedule 3 of the distribution licences and Schedule 2 of the transmission licence. The amendment to the separate licences to recognize the new Services Agreement will be made.

IT IS ORDERED THAT:

1. Algoma Power Inc.'s distribution licence (ED-2009-0072) is amended in accordance with the attached revised licence.
2. Cornwall Street Railway Light and Power Company Limited's distribution licence (ED-2004-0405) is amended in accordance with the attached revised licence.
3. Canadian Niagara Power Inc.'s distribution licence (ED-2002-0572) is amended in accordance with the attached revised licence.
4. Canadian Niagara Power Inc.'s transmission licence (ET-2003-0073) is amended in accordance with the revised attached licence.

DATED at Toronto, April 25, 2012

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects