

**Ontario Energy
Board**

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**Commission de l'énergie
l'Ontario**

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Application Form for Applications under Section 86 of the *Ontario Energy Board Act, 1998*

PART I : GENERAL INFORMATION

1.1 Nature of Application

1.1.1 Application Type

- ☐ For leave for a transmitter or distributor to sell, lease or otherwise dispose of its transmission or distribution system as an entirety or substantially as an entirety (section 86(1)(a))
- ☐ For leave for a transmitter or distributor to sell, lease or otherwise dispose of that part of its transmission or distribution system that is necessary in serving the public (section 86(1)(b))
- ☐ For leave for a transmitter or distributor to amalgamate with any other corporation (section 86(1)(c))
- ☒ For leave for a person to acquire voting securities that will exceed 20% of a distributor or transmitter (section 86(2)(a))
- ☐ For leave for a person to acquire control of a company that holds more than 20% of the voting securities of a transmitter or distributor if such voting securities constitute a significant asset of the corporation (section 86(2)(b))

1.1.2 Notice under section 80 or 81 of the Act

Is a notice of proposal required under section 80 or 81 of the Act?

- ☐ Yes
- ☒ No

If yes, the applicant must also file a completed "Preliminary Filing Requirements for a Notice of Proposal Under Sections 80 and 81 of the Ontario Energy Board Act, 1998" with the Board.

1.2 Identification of the Parties

1.2.1 Name of Applicant

Legal name of the applicant: Borealis EWT Inc.

Name of Primary Contact:

Mr. <input type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Wallace	Annesley	C.
Other <input type="radio"/>		Title/Position		
		Assistant Vice-President, Borealis Infrastructure Management Inc.		

Address of Head Office:

City	Province/State	Country	Postal/Zip Code
Toronto	Ontario	Canada	M5J 2J2
Phone Number	Fax Number	E-mail Address	
416-454-4384	416-361-6075	awallace@borealis.ca	

1.2.2 Other Party to the Transaction (if more than one attach a list)

Name of the other party: Upper Canada Transmission, Inc.

Name of Primary Contact:

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Romaniuk	Oliver	
Other <input type="radio"/>		Title/Position		
		Project Manager		

Address of Head Office:

City	Province/State	Country	Postal/Zip Code
Burlington	Ontario	Canada	L7L 6W6
Phone Number	Fax Number	E-mail Address	
519-589-2478	561-691-2328	Oliver.Romaniuk@nexteraenergy.com	

1.3 Description of the Business of Each of the Parties

- 1.3.1 Please provide a description of the business of each of the parties to the proposed transaction, including each of their affiliates engaged in, or providing goods or services to anyone engaged in, the generation, transmission, distribution or retailing of electricity ("Electricity Sector Affiliates").

BEWTI

BEWTI is an OMERS entity. OMERS is one of Canada's largest pension plans with approximately CAN \$55 billion in net assets. Borealis Infrastructure Management Inc. (Borealis Infrastructure) is the infrastructure investment arm of OMERS and is responsible for BEWTI within the OMERS enterprise. Established in the late 1990s, Borealis was the first group formed by a Canadian pension plan with a mandate to invest in infrastructure as a separate asset class. Today, Borealis has approximately CAN \$9 billion invested in over 20 investments that have a total enterprise value of approximately CAN \$50 billion. Borealis takes an active role in the management of its infrastructure assets. OMERS sponsorship enables Borealis to be a long-term, buy-and-hold investor.

BEWTI does not have any "Electricity Sector Affiliates", as the term "affiliates" is defined in section 3 of the Ontario Energy Board Act, 1998 by reference to the Ontario Business Corporations Act.

For information purposes, BEWTI notes its indirect relationship to the following Ontario electricity sector entities. The following investments are indirectly (i.e. through a chain of investment entities) held by OMERS. None of these entities are "Electricity Sector Affiliates" of BEWTI.

1. A 10% interest in Enersource. Enersource holds an Ontario electricity distribution licence (ED-2003-0017) under which it services 200,000 residential and commercial electricity customers in Mississauga.
2. A 48.8% interest in the Bruce A nuclear generating facility, and 31.6% interest in the Bruce B nuclear generating facility. These facilities together comprise the Bruce Power complex, located northwest of Toronto, on the shores of Lake Huron. The facilities are operated by Bruce Power Inc. under Ontario electricity generation licence EG-2000-0271. Bruce Power Inc. is authorized to generate electricity in Ontario, export electricity from Canada to the United States, and sell electricity at market based rates within the United States.

UCT

Pursuant to the proposed transaction, Borealis Infrastructure, through BEWTI, will acquire a 25% non-controlling interest in UCT.

UCT holds Ontario electricity transmission licence ET-2011-0222. UCT is currently wholly owned by NextEra Energy Canada. (For completion of the proposed transaction, an additional corporation will be inserted between UCT and NextEra Energy Canada, which will wholly own UCT and which will be wholly owned by NextEra Energy Canada. No external party or effective change in control is involved.) NextEra Energy Canada is a wholly owned indirect subsidiary of NextEra Energy, Inc. (NextEra).

NextEra is a leading North American clean-energy company with 2011 revenues of more than US \$15.3 billion, more than 41,000 MW of generating capacity, and approximately 15,000 employees in 24 US states and Canada. NextEra subsidiaries include Florida Power & Light, NextEra Energy Resources, LLC, and NextEra Energy Infrastructure, which is developing transmission facilities in Texas and owns transmission facilities in New Hampshire. NextEra is a Fortune 200 corporation trading on the New York Stock Exchange (trading symbol NEE).

UCT was established by NextEra Energy Canada for the purpose of participating in the Designation Proceeding. UCT does not currently own or operate any electricity transmission assets in Ontario. UCT's licence is effective on the date upon which UCT is designated as a developer of transmission assets in Ontario pursuant to a Board designation process or the date upon which UCT applies to amend Schedule 1 of its licence to specify the facilities to be owned and/or operated by it, whichever is earlier.

A list of UCT's Electricity Sector Affiliates is included as Attachment A.

- 1.3.2 Please provide a description of the geographic territory served by each of the parties to the proposed transaction, including each of their Electricity Sector Affiliates, if applicable.

BEWTI does not currently own or operate any electricity assets, and has no Electricity Sector Affiliates.

UCT has Electricity Sector Affiliates, as listed in Attachment A, that are generators and therefore do not have service territories.

- 1.3.3 Please provide a description of the customers, including the number of customers in each class, served by each of the parties to the proposed transaction.

Please see section 1.3.2. No customers are currently served by the parties.

- 1.3.4 Please provide a description of the proposed geographic service area of each of the parties after completion of the proposed transaction.

Not applicable. See section 1.3.2.

The proposed transaction will facilitate involvement by BEWTI in development under UCT's electricity transmission licence of the East-West Tie Line, should UCT be successful in its intended application for designation in EB-2011-0140.

- 1.3.5 Please attach a corporate chart describing the relationship between each of the parties to the proposed transaction and each of their respective affiliates.

Please see Attachment B.

1.4 Description of the Proposed Transaction

1.4.1 Please provide a detailed description of the proposed transaction.

Pursuant to the proposed transaction, Borealis Infrastructure, through BEWTI, will acquire a 25% non-controlling interest in UCT.

At the same time as BEWTI acquires its interest in UCT, an additional 25% interest in UCT will be acquired by Enbridge Inc., through Enbridge Transmission Holdings Inc. (ETHI). ETHI has separately filed a section 86 Application in connection with this proposed transaction.

Pursuant to the proposed transaction, each of ETHI and BEWTI will join NextEra Energy Canada as investors in UCT for the purposes of pursuing, under UCT's Ontario transmission licence, development of electrical transmission in Ontario. It is anticipated that UCT will become the general partner in a limited partnership for the purposes of pursuing transmission development under UCT's existing transmission licence. As general partner, UCT would remain the holder of the transmission licence and the entity responsible under the licence for any transmission assets. The details of the final proposed project structure will be subject to review by the Board, as appropriate, in the Designation Proceeding.

No licencing changes are required as a result of the proposed transaction.

- 1.4.2 Please provide the details of the consideration (e.g. cash, assets, shares) to be given and received by each of the parties to the proposed transaction.

Each of the parties brings their own commercial and operational strengths and expertise to the transmission initiatives of UCT. Financial consideration for the transactions will be nominal.

- 1.4.3 Please attach the financial statements (including balance sheet, income statement, and cash flow statement) of the parties to the proposed transaction for the past two most recent years.

BEWTI and UCT are newly formed entities, formed for the purpose of the proposed transaction and in support of UCT's application for designation as transmission developer in the EB-2011-0140 proceeding. Neither BEWTI nor UCT have prepared operating financial statements.

Financial statements of NextEra and OMERS - for the past two most recent years - are included in the Annual Reports for these entities provided as Attachments C and D hereto.

- 1.4.4 Please attach the pro forma financial statements for each of the parties (or if amalgamation, the one party) for the first full year following the completion of the proposed transaction.

UCT will be capitalized and financially organized as appropriate in support of its transmission development activities should its application for designation to develop the East-West Tie Line be successful. The proposed capitalization and financial organization of UCT for these purposes will be fully evidenced and considered by the Board in the EB-2011-0140 Transmission Development Designation Proceeding.

1.5 Documentation

- 1.5.1 Please provide copies of all annual reports, proxy circulars, prospectuses or other information filed with securities commissions or similar authorities or sent to shareholders for each of the parties to the proposed transaction and their affiliates within the past 2 years.

BEWTI

There are no relevant filings by BEWTI, or any entity in the chain of ownership of BEWTI other than BEWTI's ultimate parent; OMERS. OMERS' Annual Reports and Reports to Members for the past 2 years are provided as Attachment D. There are no proxy circulars, prospectuses or other information that have been filed by BEWTI or any of its affiliates with securities commissions or similar authorities.

UCT

There are no relevant filings by UCT or any of its affiliates, other than UCT's ultimate parent; NextEra, since neither UCT nor any of its affiliates other than NextEra are publicly traded companies. NextEra's Annual Reports for the past 2 years are provided as Attachment C. Also provided in Attachment C is a list of NextEra's United States Securities and Exchange Commission (SEC) filings for the past 2 years. The listed SEC filings are voluminous, and so have been provided in electronic form on the CD enclosed with this application.

- 1.5.2 Please list all legal documents (including those currently in draft form if not yet executed) to be used to implement the proposed transaction.

The following are the key legal documents to be used to implement the proposed transaction:

1. Share subscriptions to UCT from each of ETHI and BEWTI.
2. Unanimous Shareholders Agreement.
3. Transition Agreement (governing the operation of UCT pending consummation of the proposed transaction upon approval by the Board of this application).

- 1.5.3 Please list all Board issued licences held by the parties and confirm that the parties will be in compliance with all licence, code and rule requirements both before and after the proposed transaction. If any of the parties will not be in compliance with all applicable licences, codes and rules after completion of the proposed transaction, please explain the reasons for such non-compliance. (Note: any application for an exemption from a provision of a rule or code is subject to a separate application process.)

UCT holds Ontario Energy Board Electricity Transmission Licence ET-2011-0222. UCT's licence is effective on the date upon which UCT is designated as a developer of transmission assets in Ontario pursuant to a Board designation process or the date upon which UCT applies to amend schedule 1 of its licence to specify the facilities to be owned and/or operated by it, whichever is earlier.

BEWTI does not hold any Ontario Energy Board licences.

There will not be any non-compliance with any licence, code or rule requirement either before or after the proposed transaction.

1.6 Consumer Protection

- 1.6.1 Please explain whether the proposed transaction will cause a change of control of any of the transmission or distribution system assets, at any time, during or by the end of the transaction.

UCT does not own or operate any transmission assets. There will be no change of control of any transmission system assets at any time.

- 1.6.2 Please indicate the impact the proposed transaction will have on consumers with respect to prices and the adequacy, reliability and quality of electricity service.

The proposed transaction does not involve or impact any existing electricity transmission assets, and thus there will be no immediate impact of the proposed transaction on consumers with respect to prices or the adequacy, reliability or quality of electricity service.

The parties to the proposed transaction intend to work together, applying their respective commercial and operational strengths, to develop electrical transmission in the province, and in particular to submit an application in EB-2011-0140 for designation for development of the East-West Tie Line. Further to the Board's August, 2010 Policy: Framework for Transmission Project Development Plans [EB-2010-0059], the investment by each of Enbridge and Borealis in UCT will further support new entry to transmission in Ontario bringing additional resources for project development, and supporting competition, in transmission in Ontario to drive economic efficiency for the benefit of ratepayers.

Enbridge has considerable experience developing and constructing large scale infrastructure projects demonstrating its strong project management capabilities. As well, it has the experience and ability to finance these types of projects. In 2010, Enbridge was successful in placing almost \$7 billion of new growth projects into service, including the \$3.5 billion Alberta Clipper project, the largest liquids pipeline project in its history, as well as the \$2.3 billion Southern Lights Pipeline. On October 13, 2011 Enbridge acquired the 300MW Montana-Alberta Tie Line (MATL) project through its acquisition of Tonbridge Inc. This project involves a 345km, 230kV transmission line from Great Falls, Montana to Lethbridge, Alberta, which is designed to take advantage of a growing supply of renewable electric power in Montana. Enbridge has gained very recent and relevant experience through the MATL project that can be leveraged to execute transmission projects in Ontario.

Borealis Infrastructure has experience as an active manager of large infrastructure assets in North America and the UK across energy, transportation, institutional facilities and government regulated services sectors. Its energy asset portfolio includes; i) Bruce Power, Canada's first private nuclear generating company and the source of over 20% of Ontario's electricity; and ii) Oncor, which is the largest electricity transmission and distribution company in Texas, and one of the largest in the US. Borealis has well established relationships with lenders, other investors and members of the business community that will assist in transmission development in Ontario.

Combining these strengths of Enbridge and Borealis with those of NextEra is intended to result in UCT being the best resourced and most able applicant in the Board's EB-2011-0140 Transmission Development Designation Proceeding. As a new entrant to electricity transmission infrastructure development in Ontario, UCT's participation in the EB-2011-0140 process has, and will continue to, foster competition in the development process and ultimately ensure increased reliability and quality of electrical service in Ontario in a cost effective manner.

- 1.6.3 Please describe the steps, including details of any capital expenditure plans, that will be taken to ensure that operational safety and system integrity are maintained after completion of the proposed transaction.

Not applicable, as UCT does not currently own or operate any transmission assets. UCT's proposals for development and operation of the East-West Tie Line, including related to the operational safety and system integrity of Ontario's transmission system as supported by this project, will be fully evidenced and considered by the Board in the EB-2011-0140 Transmission Development Designation Proceeding.

- 1.6.4 Please provide details, including any capital expenditure plans, of how quality and reliability of service will be maintained after completion of the proposed transaction. Indicate where service centres will be located and expected response times.

Not applicable, as UCT does not currently own or operate any transmission assets. UCT's proposals for development and operation of the East-West Tie Line, including related to quality and reliability of service, will be fully evidenced and considered by the Board in the EB-2011-0140 Transmission Development Designation Proceeding.

- 1.6.5 Please indicate whether the parties to the proposed transaction intend to undertake a rate harmonization process after the proposed transaction is completed. If yes, please provide a description of the plan.

Not applicable, as UCT does not serve any customers.

- 1.6.6 If the application is for an amalgamation, please provide a proposal for the time of rebasing the consolidated entity in accordance with the five-year limit set by the Board.

Not applicable.

- 1.6.7 Please identify all incremental costs that the parties to the proposed transaction expect to incur. These may include incremental transaction costs (i.e., legal), incremental merged costs (i.e., employee severances), and incremental ongoing costs (i.e., purchase and maintenance of new IT systems). Please explain how the new utility plans to finance these costs.

Not applicable.

- 1.6.8 Please describe the changes, if any, in distribution or transmission rate levels (as applicable) and the impact on the total bill that may result from the proposed transaction.

Not applicable in the near term.

In the longer term, the proposed participation by Enbridge and Borealis in UCT, and through UCT in the process for developing, constructing and operating new transmission in Ontario, is expected to yield electricity transmission rates lower than they would otherwise be, while maintaining a high level of transmission system reliability and service.

- 1.6.9 Please provide details of the costs and benefits of the proposed transaction to the customers of the parties to the proposed transaction.

Not applicable. The parties do not currently have any customers. Please also see sections 1.6.2 and 1.6.8.

1.7 Economic Efficiency

- 1.7.1 Please indicate the impact the proposed transaction will have on economic efficiency and cost effectiveness (in the distribution or transmission of electricity). Details on the impacts of the proposed transaction on economic efficiency and cost effectiveness should include, but are not limited to, impacts on administration support functions such as IT, accounting, and customer service.

Please see response to sections 1.6.2 and 1.6.8, above.

1.8 Financial Viability

- 1.8.1 Please provide a valuation of any assets or shares that will be transferred in the proposed transaction. Provide details on how this value was determined, including any assumptions made about future rate levels.

Not applicable. Financial consideration for the transactions will be nominal. Please see section 1.4.2.

- 1.8.2 If the price paid as part of the proposed transaction is significantly more than the book value of the assets of the selling utility, please provide details as to why this price will not have an adverse affect on the economic viability of the acquiring utility.

Not applicable.

- 1.8.3 Please provide details of the financing of the proposed transaction.

There is no financing for the proposed transaction. UCT's proposals for development and operation of the East-West Tie Line, including information regarding financing of UCT's activities, will be fully evidenced and considered by the Board in the EB-2011-0140 Transmission Development Designation Proceeding.

- 1.8.4 If the proposed transaction involves a leasing arrangement , please identify separately any assets in the service area that are owned, from those assets that are encumbered by any means, e.g., subject to a lease or debt covenant.

Not applicable.

- 1.8.5 Please outline the capital (debt /equity) structure, on an actual basis, of the parties to the proposed transaction prior to the transaction and on a pro forma basis after completion of the proposed transaction. In order to allow the Board to assess any potential impacts on the utility's financial viability, please include the terms associated with the debt structure of the utility as well as the utility's dividend policy after the completion of the proposed transaction. Please ensure that any debt covenants associated with the debt issue are also disclosed.

Not applicable. UCT does not own or operate any transmission assets, and has not been capitalized for such ownership at this time. UCT's proposed regulatory capital structure will, as applicable, be evidenced and considered by the Board in the EB-2011-0140 Transmission Development Designation Proceeding, and/or subsequent Board proceedings related to construction and/or operation of transmission facilities.

- 1.8.6 Please provide details of any potential liabilities associated with the proposed transaction in relation to public health and safety matters or environmental matters. These may be matters that have been identified in the audited financial statements or they may be matters that the parties have become aware of since the release of the most recently audited financial statements. If there are any pre-existing potential liabilities regarding public health and safety matters or environmental matters for any party to the proposed transaction, provide details on how the parties propose to deal with those potential liabilities after the transaction is completed. Specify who will have on-going liability for the pre-existing potential liabilities.

There are no existing or potential liabilities associated with the proposed transaction in relation to public health and safety matters or environmental matters.

1.9 Other Information

- 1.9.1 If the proposed transaction requires the approval of a parent company, municipal council or any other entity please provide a copy of appropriate resolutions indicating that all such parties have approved the proposed transaction.

There are no municipal or similar approvals engaged by the proposed transaction.

All internal corporate approvals required to give effect to the proposed transaction have been obtained and will be released upon approval of this application.

- 1.9.2 Please list all suits, actions, investigations, inquiries or proceedings by any government body, or other legal or administrative proceeding, except proceedings before the Board, that have been instituted or threatened against each of the parties to the proposed transaction or any of their respective affiliates.

There are no suits, actions, investigations, inquiries or proceedings that have been instituted against the parties, and no suits, actions, investigations, inquiries or proceedings that have been instituted against their affiliates that could materially impact the licensee or the transaction proposed.

- 1.9.3 Regarding net metering thresholds, the Board will, absent exceptional circumstances, add together the kW threshold amounts allocated to the individual utilities and assign the sum to the new or remaining utility. Please indicate the current net metering thresholds of the utilities involved in the proposed transaction. Please also indicate if there are any special circumstances that may warrant the Board using a different methodology to determine the net metering threshold for the new or remaining utility.

Not applicable.

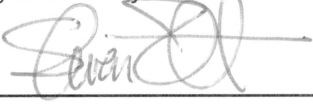
- 1.9.4 Please provide the Board with any other information that is relevant to the application. When providing this additional information, please have due regard to the Board's objectives in relation to electricity.

No other information to add.

PART II: CERTIFICATION AND ACKNOWLEDGMENT

2.1.1 Certification and Acknowledgment

I certify that the information contained in this application and in documents provided are true and accurate.

Signature of Key Individual 	Print Name of Key Individual Steven Zucchet	Title/Position Director, Borealis EWT Inc., c/o Borealis Infrastructure Management Inc. +
	Date 21 - Sept - 12	Company Borealis EWT Inc., c/o Borealis Infrastructure Management Inc. +

(Must be signed by a key individual, A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the Chief Executive Officer, the Chief Financial Officer, other officers, directors or proprietors.)