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April 2, 2015

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Calgary

By Overnight Courier and Electronic Mail and Filed Electronically on RESS

Ottawa

New York

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

Dear Ms. Walli:

Licence Amendment Application of Five Nations Energy Inc ("FNEI")
Re: Electricity Transmission Licence ET-2003-0074

Please find enclosed an application by FNEI for an Order under section 74 of the *Ontario Energy Board Act, 1998* amending Electricity Transmission Licence ET-2003-0074. Two paper copies of this application will be couriered to the Board.

Please do not hesitate to contact me if you have any questions regarding this application.

Yours very truly,



Patrick G. Welsh
Associate

PW:LS

Enclosure

c: Lucie Edwards, Five Nations Energy Inc. (by e-mail only)
Pasquale Catalano, Hydro One Networks Inc. (by e-mail only)
Richard King, Osler, Hoskin & Harcourt LLP (by e-mail only)

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Five Nations Energy Inc. for an Order under section 74 of the Act amending Electricity Transmission Licence ET-2003-0074;

AND IN THE MATTER OF an Application by Five Nations Energy Inc. for an Order under section 21 of the Act disposing of the proceeding without a hearing.

**APPLICATION OF
FIVE NATIONS ENERGY INC.**

April 2, 2015

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Patrick G. Welsh
Tel: 416.862.5951
Fax: 416.862.6666

Counsel for Five Nations Energy Inc.

Overview

1. Five Nations Energy Inc. seeks an amendment to Schedule 1 of its Electricity Transmission Licence, ET-2003-0074, on account of the 80 km of electricity transmission line it is purchasing from Hydro One Networks Inc. (“**Hydro One**”).

2. The sale and purchase of the 80 km is currently the subject of a separate application by Hydro One under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (the “**Act**”), EB-2015-0127. This licence amendment application is therefore linked to, and contingent upon, the Ontario Energy Board’s approval of the transaction in EB-2015-0127.

Background to Amendment

3. Five Nations Energy Inc. (“**FNEI**”) is a licensed electricity transmitter holding Electricity Transmission Licence ET-2003-0074 (the “**Licence**”). FNEI is applying to amend the Licence in accordance with section 74(1)(b) of the Act. Specifically, FNEI applies to amend Schedule 1 of the Licence to add 80 km of transmission line beginning at the Moosonee Switching Station and running northwest along James Bay. A copy of the Licence is included as Appendix “A” to this application.

4. The approximately 80 km of transmission line beginning at the Moosonee Switching Station (the “**80 km**”) is presently owned by Hydro One. A map of FNEI’s transmission assets and the 80 km is included as Appendix “B” to this application. FNEI has entered into an agreement to purchase the 80 km from Hydro One, subject to the approval of the Ontario Energy Board (the “**Board**”). Hydro One has filed an application under section 86(1)(b) of the Act to transfer the ownership of the 80 km to FNEI, and the Board has assigned the file number EB-2015-0127 to that application.

5. At present, Item 1 of Schedule 1 of the Licence excludes the 80 km, describing FNEI's transmission asset as "a 138 kV three-phase line approximately 190 km in length beginning at approximately 80 km northwest of Moosonee and running northwest along James Bay by way of Fort Albany and Kashechewan and terminating at Attawapiskat (emphasis added)." FNEI is proposing to purchase the 80 km of transmission line southeast of the above starting point such that its owned transmission asset will begin at the Moosonee Switching Station and not "approximately 80 km northwest of Moosonee." The proposed language amending Schedule 1 of the Licence is included as Appendix "C" to this application.

6. The 80 km is situated on Crown Land. At present, FNEI holds a Land Use Permit (the "**Permit**") issued by the Ontario Ministry of Natural Resources pursuant to the *Public Lands Act*, however this Permit does not include the 80 km and will therefore require an amendment. FNEI therefore requests, as an alternative form of relief, that the Board grant interim approval of the proposed amendment to the Licence until such time as FNEI advises the Board that its Permit includes the 80 km being purchased. Should the Board so direct, FNEI will provide regular updates to the Board as to the status of its Permit amendment. The Board adopted this approach during FNEI's last licence amendment application, EB-2009-0395, while FNEI awaited the issuance of certain land rights permits, described further in paragraph 15 below (see also EB-2009-0395, Interim Order, December 18, 2009).

7. Since FNEI's last Licence amendment, there have been no changes to:

- (a) the address for FNEI;
- (b) the contact name for FNEI; and

(c) the organizational structure of FNEI.

8. A list of FNEI's current directors and officers is included at Appendix "D" to this application.

Legal Authority

9. Under section 74(1)(b) of the Act, the Board may amend a licence if it considers the amendment to be in the public interest, having regard to the objectives of the Board and the purposes of the *Electricity Act, 1998*.

10. FNEI submits that the desired amendment to the Licence is in the public interest because it will enable FNEI to own and operate the 80 km and to serve its customers in Northern Ontario, including Fort Albany Power Corporation, Kashechewan Power Corporation, Attawapiskat Power Corporation, and DeBeers Canada Inc. ("**DeBeers**"). As further explained in the paragraphs below, the desired amendment satisfies the Board's objectives enumerated in the Act, particularly that of "promot[ing] economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry." It also satisfies the purposes of the *Electricity Act, 1998*, especially that of "ensur[ing] the adequacy, safety, sustainability and reliability of electricity supply in Ontario through responsible planning and management of electricity resources, supply and demand" and "promot[ing] economic efficiency and sustainability in the generation, transmission, distribution and sale of electricity."

11. Currently, the 80 km to be purchased is not in Hydro One's rate base (or any other transmitter's rate base). It is anomalous from that perspective, and the purchase and inclusion of the 80 km in FNEI's Licence (and ultimately its rate base) would normalize the historic anomaly.

12. Purchasing and adding the 80 km would also normalize the operational aspect of the 80 km of line. As a result of DeBeers connecting to FNEI's system several years ago, FNEI had to twin the transmission line from Moosonee north to Kashechewan. As such, FNEI owns, operates and maintains a transmission line immediately adjacent to the 80 km that it is purchasing. The location of the 80 km is remote (i.e., fly-over and no road access) and it makes operational sense for one transmitter to own, operate and maintain the lines in the region.

13. FNEI has the financial capacity to purchase the line through its own funds and/or funding from its existing lenders. FNEI also has the technical capacity to own and operate the 80 km along with the rest of its existing system.

Other Matters

14. Pursuant to section 21(4)(b) of the Act, the Board may dispose of a proceeding without a hearing if the Board determines that no person, other than the applicant/licence holder, will be adversely affected in a material way and the applicant/licence holder has consented to disposing of a proceeding without a hearing. FNEI submits that no person will be adversely affected in any material way by the outcome of the proceeding. As such, FNEI respectfully requests that the Board dispose of this proceeding without a hearing.

15. Additionally, as discussed above at paragraph 5 of this application, the Board approved a previous amendment to the Licence in EB-2009-0395, albeit on an interim basis until

such time as FNEI advised the Board that it had obtained permits from the Department of Indian and Northern Affairs (now Aboriginal Affairs and Northern Development Canada) authorizing the presence of electricity transmission assets on reserve land pursuant to section 28(2) of the *Indian Act* (the “**28(2) Permits**”). By way of two letters dated August 30, 2010 and September 30, 2010, FNEI’s external counsel advised the Board that the 28(2) Permits had been received. It has come to the attention of FNEI that the “interim” designation was never removed from the Licence, nor was a Final Order issued in EB-2009-0395 despite providing written notice to the Board that the 28(2) Permits had been obtained. FNEI respectfully requests that the Board correct this oversight by removing the “interim” designation on items 3 and 4 of Schedule 1 of the Licence.

Contact Information

16. FNEI requests that a copy of all documents filed with the Board be served on FNEI and FNEI’s counsel as follows:

- | | |
|--------------------|--|
| (a) FNEI | Lucie Edwards
Five Nations Energy Inc.
P.O. Box 370
Moose Factory, ON P0L 1W0
Email: lucie.edwards@fivenations.ca |
| (b) FNEI’s Counsel | Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Patrick G. Welsh
Tel: 416.862.5951
Fax: 416.862.6666
Email: pwelsh@osler.com |

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

April 2, 2015

A handwritten signature in black ink, appearing to read "Patrick", with a long horizontal flourish extending to the right.

Patrick G. Welsh

APPENDIX “A”: ELECTRICITY TRANSMISSION LICENCE ET-2003-0074



Electricity Transmission Licence

ET-2003-0074

Five Nations Energy Inc.

Valid Until

December 23, 2023

Original signed by

Jennifer Lea
Counsel, Special Projects
Ontario Energy Board
Date of Issuance: December 24, 2003
Date of Amendment: November 3, 2009

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

Commission de l'énergie de l'Ontario
C.P. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4

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1 Definitions

In this Licence:

"Accounting Procedures Handbook" means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

"Act" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"Affiliate Relationships Code for Electricity Distributors and Transmitters" means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"Board" means the Ontario Energy Board;

"Electricity Act" means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

"Licensee" means Five Nations Energy Inc.

"Market Rules" means the rules made under section 32 of the Electricity Act;

"Performance Standards" means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

"Rate Order" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"transmission services" means services related to the transmission of electricity and the services the Board has required transmitters to carry out for which a charge or rate has been established in the Rate Order;

"Transmission System Code" means the code approved by the Board and in effect at the relevant time, which, among other things, establishes the obligations of a transmitter with respect to the services and terms of service to be offered to customers and provides minimum technical operating standards of transmission systems;

"wholesaler" means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

2 Interpretation

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence to own and operate a transmission system consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment.

4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the Licensee are set out in Schedule 2 of this Licence. The following Codes apply to this Licence:
- a) the Affiliate Relationships Code for Electricity Distributors and Transmitters; and
 - b) the Transmission System Code.
- 5.2 The Licensee shall:
- a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
 - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

6 Requirement to Enter into an Operating Agreement

- 6.1 The Licensee shall enter into an agreement ("Operating Agreement") with the IESO providing for the direction by the IESO of the operation of the Licensee's transmission system. Following a request made by the IESO, the Licensee and the IESO shall enter into an Operating Agreement

within a period of 90 business days, unless extended with leave of the Board. The Operating Agreement shall be filed with the Board within ten (10) business days of its completion.

- 6.2 Where there is a dispute that cannot be resolved between the parties with respect to any of the terms and conditions of the Operating Agreement, the IESO or the Licensee may apply to the Board to determine the matter.

7 Obligation to Provide Non-discriminatory Access

- 7.1 The Licensee shall, upon the request of a consumer, generator, distributor or retailer, provide such consumer, generator, distributor or retailer, as the case may be, with access to the Licensee's transmission system and shall convey electricity on behalf of such consumer, generator, distributor or retailer in accordance with the terms of this Licence, the Transmission System Code and the Market Rules.

8 Obligation to Connect

- 8.1 If a request is made for connection to the Licensee's transmission system or for a change in the capacity of an existing connection, the Licensee shall respond to the request within 30 business days.
- 8.2 The Licensee shall process connection requests in accordance with published connection procedures and participate with the customer in the IESO's Connection Assessment and approval process in accordance with the Market Rules, its Rate Order(s) and the Transmission System Code.
- 8.3 An offer of connection shall be consistent with the terms of this Licence, the Market Rules, the Rate Order, and the Transmission System Code.
- 8.4 The terms of such offer to connect shall be fair and reasonable.
- 8.5 The Licensee shall not refuse to make an offer to connect unless it is permitted to do so by the Act or any Codes, standards or rules to which the Licensee is obligated to comply with as a condition of this Licence.

9 Obligation to Maintain System Integrity

- 9.1 The Licensee shall maintain its transmission system to the standards established in the Transmission System Code and Market Rules, and have regard to any other recognized industry operating or planning standards required by the Board.

10 Transmission Rates and Charges

- 10.1 The Licensee shall not charge for the connection of customers or the transmission of electricity except in accordance with the Licensee's Rate Order(s) as approved by the Board and the Transmission System Code

11 Separation of Business Activities

- 11.1 The Licensee shall keep financial records associated with transmitting electricity separate from its financial records associated with distributing electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

12 Expansion of Transmission System

- 12.1 The Licensee shall not construct, expand or reinforce an electricity transmission system or make an interconnection except in accordance with the Act and Regulations, the Transmission System Code and the Market Rules.

13 Provision of Information to the Board

- 13.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 13.2 Without limiting the generality of paragraph 13.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) business days past the date upon which such change occurs.

14 Restrictions on Provision of Information

- 14.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator, obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.
- 14.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
- a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
 - b) for billing, settlement or market operations purposes;
 - c) for law enforcement purposes; or
 - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.
- 14.3 Information regarding consumers, retailers, wholesalers or generators may be disclosed where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.
- 14.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.
- 14.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information is not be used for any other purpose except the purpose for which it was disclosed.

15 Term of Licence

- 15.1 This Licence shall take effect on December 24, 2003 and expire on December 23, 2023. The term of this Licence may be extended by the Board.

16 Transfer of Licence

- 16.1 In accordance with subsection 18(2) of the Act, this Licence is not transferable or assignable without leave of the Board.

17 Amendment of Licence

- 17.1 The Board may amend this Licence in accordance with section 74 of the Act or section 38 of the Electricity Act.

18 Fees and Assessments

- 18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

19 Communication

- 19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 19.2 All official communication relating to this Licence shall be in writing.
- 19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
- a) when delivered in person to the addressee by hand, by registered mail or by courier;
 - b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
 - c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

20 Copies of the Licence

- 20.1 The Licensee shall:
- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
 - b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1 SPECIFICATION OF TRANSMISSION FACILITIES

This Schedule specifies the facilities over which the Licensee is authorized to transmit electricity in accordance with paragraph 3 of this Licence.

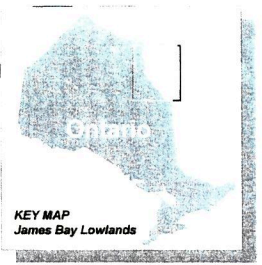
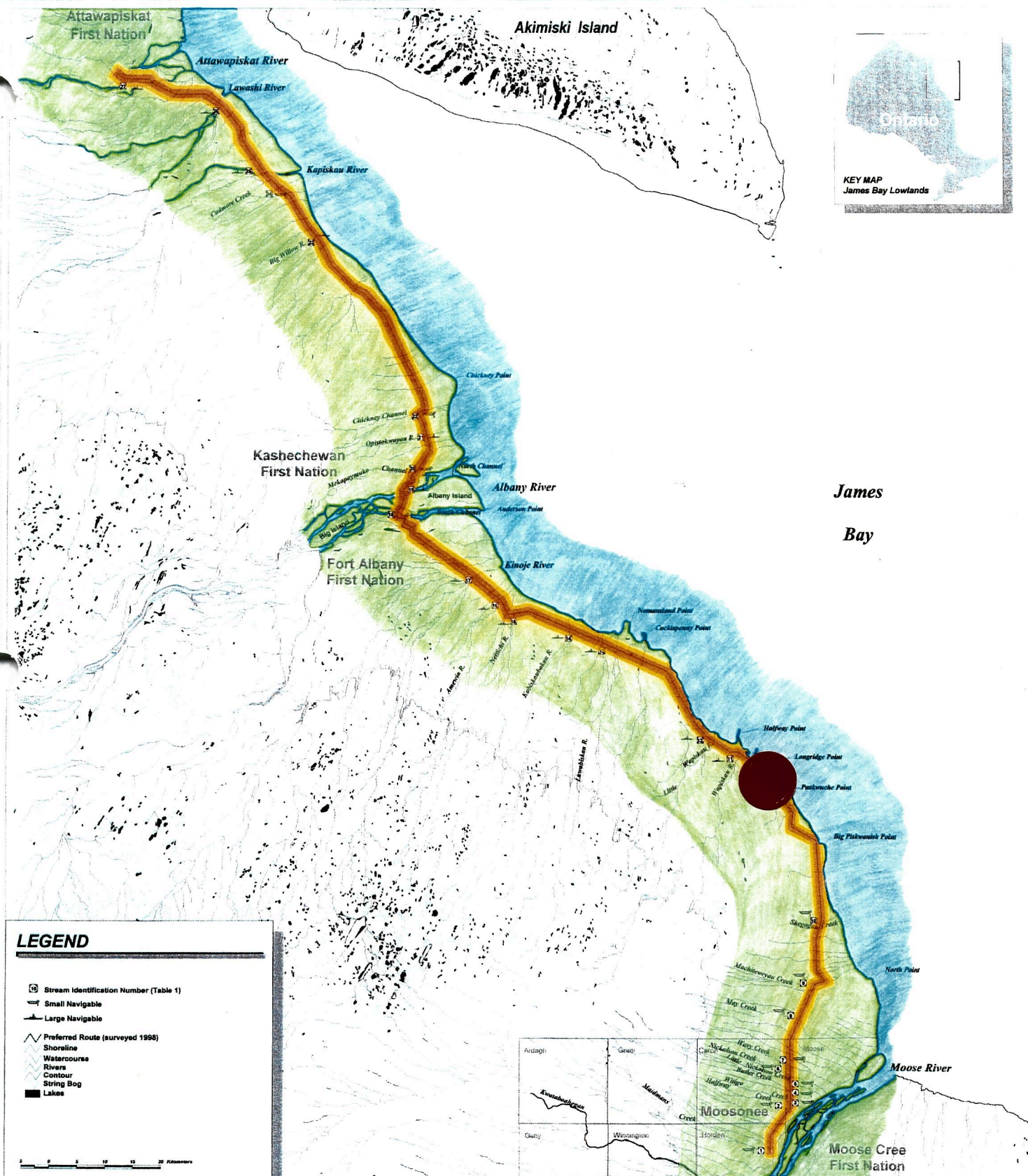
1. A 138 kV three-phase line approximately 190 km in length beginning at approximately 80 km northwest of Moosonee and running northwest along James Bay by way of Fort Albany and Kashechewan and terminating at Attawapiskat.
2. Three step-down substations, one in each of Fort Albany, Kashechewan and Attawapiskat to supply the electrical distribution systems in these communities.
3. A second 138 kV three-phase line approximately 179 km in length beginning at Moosonee and running northwest along James Bay, parallel to the original 138 kV circuit terminating in Kashechewan (Interim).
4. A 138 kV switching station in Kashechewan where both 138 kV circuits in parallel from Moosonee terminate (Interim).

SCHEDULE 2 LIST OF CODE EXEMPTIONS

This Schedule specifies any specific Code requirements from which the licensee has been exempted.

None

APPENDIX “B”: MAP



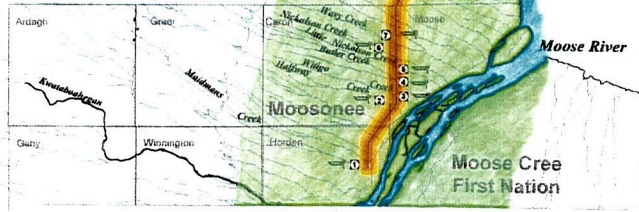
LEGEND

- Stream Identification Number (Table 1)
- Small Navigable
- Large Navigable
- Preferred Route (surveyed 1998)
- Shoreline
- Watercourse
- Rivers
- Contour
- String Bog
- Lakes



Fenco MacLaren
Member of the SNC-Lavalin Group

Note Sources:
Topographic Data NTS.



Omushkego Ishkotayo

The Western James Bay Transmission Line Project
A Project of Five Nations Energy Inc.
Study Area Showing Navigable Watercourses
Crossed By The Preferred Route

APPENDIX “C”: PROPOSED REVISIONS TO SCHEDULE 1 OF THE LICENCE

SCHEDULE 1 SPECIFICATION OF TRANSMISSION FACILITIES

This Schedule specifies the facilities over which the Licensee is authorized to transmit electricity in accordance with paragraph 3 of this Licence.

1. A 138 kV three-phase line approximately 190 km in length beginning at ~~approximately 80 km northwest of Moosonee~~ and running northwest along James Bay by way of Fort Albany and Kashechewan and terminating at Attawapiskat.
2. Three step-down substations, one in each of Fort Albany, Kashechewan and Attawapiskat to supply the electrical distribution systems in these communities.
3. A second 138 kV three-phase line approximately 179 km in length beginning at Moosonee and running northwest along James Bay, parallel to the original 138 kV circuit terminating in Kashechewan ~~(Interim)~~.
4. A 138 kV switching station in Kashechewan where both 138 kV circuits in parallel from Moosonee terminate ~~(Interim)~~.

**APPENDIX “D”: LIST OF DIRECTORS AND OFFICERS OF FIVE NATIONS
ENERGY INC.**

Directors

	Name	Representative of
1.	Mr. Edward Koostachin	Attawapiskat Power Corporation
2.	Mr. Steve Hookimaw	Attawapiskat Power Corporation
3.	Mr. Andrew Linklater	Fort Albany Power Corporation
4.	Ms. Jackie Kataquapit	Fort Albany Power Corporation
5.	Mr. George Reuben	Kashechewan Power Corporation
6.	Mr. Russell Friday	Kashechewan Power Corporation
7.	Mr. Derek Chum	Moose Cree First Nation
8.	Mr. Roger Archibald	Taykwa Tagamou Nation

Officers

	Name	Title
1.	Ms. Lucie Edwards	Chief Executive Officer
2.	Mr. Mike Metatawabin	President
3.	Mr. Guy Ginter	Vice President