

December 10, 2015

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

Dear Ms. Walli:

Re: **Notice of Proposal under Section 80 and 81 of the Ontario Energy Board Act, 1998**

Pursuant to Section 80 of the Ontario Energy Board Act, 1998, please find attached a Notice of Proposal ("Notice") in respect generation facilities being constructed at Chaudiere Falls to be owned and operated by Chaudiere Hydro L.P. which is wholly owned by Energy Ottawa Inc., which is a Hydro Ottawa Holding Inc. company.

The generation facilities that are the subject of this Notice are part of a project that will entail the construction of a single large hydro-electric generating station with an installed capacity of 29.35 MW. This new generating station will replace two generating stations that have a combined installed capacity of 9 MW for a net increase in generating capacity of 20.35 MW. The expected completion timeframe for the project is by year end 2017.

Please don't hesitate to contact me if you have any questions regarding this project.

Respectfully,



Pamela Jones
Manager, Regulatory Policy & Research
Tel. / tél. 613-738-5499 | ext. / poste 7663
Email: regulatoryaffairs@hydroottawa.com

Hydro Ottawa Holdings Inc. / La Société de portefeuille d'Hydro Ottawa inc.
3025 Albion Road North, PO Box 8700 / chemin Albion Nord, C.P. 8700
Ottawa, Ontario K1G 3S4
www.hydroottawa.com

Ontario Energy Board

Preliminary Filing Requirements
For a Notice of Proposal under Sections 80 and 81
Of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties

1.1.1 Applicant

Name of Applicant Chaudiere Hydro L.P.	File No: (Board Use Only)	
Address of Head Office 3025 Albion Road North P.O. Box 8700 Ottawa, Ontario K1G 3S4	Telephone Number 613-738-5499, ext. 7472	
	Facsimile Number 613-738-5486	
	E-mail Address	
Name of Individual to Contact Pamela Jones Manager, Regulatory Policy & Research	Telephone Number 613-738-5499, ext. 7663	
	Facsimile Number 613-738-5486	
	E-mail Address regulatoryaffairs@hydroottawa.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Party Not applicable	Board Use Only	
Address of Head Office	Telephone Number	
	Facsimile Number	
	E-mail Address	
Name of Individual to Contact	Telephone Number	
	Facsimile Number	
	E-mail Address	

1.2 Relationship between Parties to the Transaction or Project

1.2.1	<p>Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.</p> <p>Chaudiere Hydro L.P. is a limited partnership. The sole limited partner is Energy Ottawa Inc. The general partner is Chaudiere Hydro Inc., which is 100% owned by Energy Ottawa Inc. The sole director of Chaudiere Hydro Inc. is John Bryce Conrad and the officers of the company are John Bryce Conrad, Geoffrey Simpson and Gregory Clarke.</p> <p>The sole director of Energy Ottawa Inc. is John Bryce Conrad and the officers of that company are John Bryce Conrad, Geoffrey Simpson and Gregory Clarke.</p>	
1.2.2	<p>Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.</p> <p>Please see the attached Schedule 1.2.2.</p>	

1.3 Description of the Businesses of Each of the Parties

1.3.1	<p>Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licenced under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced under the OEB Act in Ontario ("Electricity Sector Affiliates").</p> <p>Chaudiere Hydro L.P. owns two hydro-electric generation facilities in Ontario on the Ottawa River at Chaudiere Falls. It will close these two facilities as part of this project and construct in their place a single larger hydro-electric generating station that is expected to be completed in 2017.</p> <p>Energy Ottawa Inc. is a generator and energy retailer operating in the province of Ontario. Energy Ottawa Inc. holds a generator and retailer licence issued under the OEB Act.</p> <p>Hydro Ottawa Limited holds an electricity distributor licence issued under the OEB Act.</p> <p>PowerTrail Inc., a subsidiary of Energy Ottawa Inc., owns and operates a landfill-gas-to-energy facility pursuant to a generator licence issued under the OEB Act.</p> <p>Moose Creek Energy LP is a limited partnership which owns and operates a landfill-gas-to-energy facility pursuant to a generator licence issued under the OEB Act. The general partner of this limited partnership is Moose Creek Energy Inc. of which half of its shares are owned by Energy Ottawa Inc. A majority of the limited partnership units in Moose Creek Energy LP are owned by Energy Ottawa Inc.</p> <p>EO Generation LP (formerly known as Fortis Generation East Limited Partnership) is a limited partnership which owns and operates hydro-electric generating stations in Ontario pursuant to a generator licence issued under the OEB Act. The general partner is EO Generation GP Inc. and the sole limited partner is 2425932 Ontario Inc. A majority of the shares of 2425932 Ontario Inc. are held by Energy Ottawa Inc.</p>	
1.3.2	<p>Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.</p> <p>Chaudiere Hydro L.P. has two hydro-electric generating facilities at Chaudiere Falls in the City of Ottawa.</p> <p>Energy Ottawa Inc. has three hydro-electric generating facilities at Chaudiere Falls in the City of Ottawa.</p> <p>Hydro Ottawa Limited is an electricity distributor for the Village of Casselman and a large portion of the City of Ottawa.</p> <p>PowerTrail Inc. has one landfill-gas-to-energy facility at the Trail Road Landfill site in the City of Ottawa.</p> <p>Moose Creek Energy L.P. has a landfill-gas-to-energy facility at the Lafleche Landfill site in Moose Creek, Ontario.</p> <p>EO Generation LP has hydro-electric generating facilities at Rideau Falls in Ottawa, Jones Falls, Upper Brewer's Mills, Washburn, Kingston Mills and Gananoque.</p>	

1.3.3	<p>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.</p> <p>The output from the generating facilities owned and operated by Chaudiere Hydro L.P. has been interconnected into the Hydro Quebec grid in the Province of Quebec.</p> <p>The annual sales output to the IESO Administered Markets for the following entities is as follows (with numbers rounded to the nearest thousand dollars):</p> <p>Energy Ottawa Inc.</p> <table border="1"> <thead> <tr> <th></th><th>C\$</th><th>MWh</th></tr> </thead> <tbody> <tr> <td>2013</td><td>9,926,000</td><td>111,938</td></tr> <tr> <td>2014</td><td>8,538,000</td><td>99,126</td></tr> </tbody> </table> <p>PowerTrail Inc.</p> <table border="1"> <thead> <tr> <th></th><th>C\$</th><th>MWh</th></tr> </thead> <tbody> <tr> <td>2013</td><td>3,196,000</td><td>36,961</td></tr> <tr> <td>2014</td><td>3,492,000</td><td>40,309</td></tr> </tbody> </table> <p>Moose Creek Energy L.P.</p> <table border="1"> <thead> <tr> <th></th><th>C\$</th><th>MWh</th></tr> </thead> <tbody> <tr> <td>2013</td><td>2,833,000</td><td>24,067</td></tr> <tr> <td>2014</td><td>2,574,000</td><td>21,748</td></tr> </tbody> </table> <p>EO Generation LP</p> <table border="1"> <thead> <tr> <th></th><th>C\$</th><th>MWh</th></tr> </thead> <tbody> <tr> <td>2013</td><td>2,319,000</td><td>30,120</td></tr> <tr> <td>2014</td><td>2,428,000</td><td>30,965</td></tr> </tbody> </table>		C\$	MWh	2013	9,926,000	111,938	2014	8,538,000	99,126		C\$	MWh	2013	3,196,000	36,961	2014	3,492,000	40,309		C\$	MWh	2013	2,833,000	24,067	2014	2,574,000	21,748		C\$	MWh	2013	2,319,000	30,120	2014	2,428,000	30,965	
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1.3.4	<p>Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.</p> <p>Chaudiere Hydro LP holds generation licence EG-2012-0320</p> <p>Energy Ottawa Inc. holds generator licence EG-2003-0124 and electricity retailer ER-2011-041.</p> <p>Hydro Ottawa Limited holds distributor licence ED-2002-0556.</p> <p>PowerTrail Inc. holds generator licence EG—2006-0056.</p> <p>Moose Creek Energy LP holds generator licence – EG-2012-0377</p> <p>EO Generation LP holds generation licence EG-2012-0091</p>																																					

1.4 Current Competitive Characteristics of the Market

1.4.1	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.</p> <p>Chaudiere Hydro L.P. has a generation capacity in Ontario of approx.. 9 MW.</p> <p>Energy Ottawa Inc. has a generation capacity in Ontario of approx.. 17 MW .</p> <p>PowerTrail Inc. has a generation capacity in Ontario of approx.. 6 MW.</p> <p>Moose Creek Energy L.P. has a generation capacity in Ontario of approx.. 4.5 MW.</p> <p>EO Generation LP has a generation capacity in Ontario of approx.. 8.5 MW</p>	
1.4.2	<p>Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.</p> <p>The generation market share in Ontario of Chaudiere Hydro L.P. and its affiliates is a small fraction of Ontario's total generation capacity.</p>	

1.5 Description of the Proposed Transaction or Project and Impact on Competition - General

1.5.1	<p>Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.</p> <p>This project will involve the closing of generating station #1 (having an installed capacity of 6 MW) and generating station #2 (having an installed capacity of 3 MW) both located on Chadiere Island in Ottawa, Ontario and the construction of a new generating station with an installed capacity of 29.35 MW. Generating stations #1 and #2 were interconnected to the Hydro Quebec grid in the Province of Quebec. The new generating station will be interconnected to the distribution system of Hydro Ottawa Limited principally through its Carling sub-station. The new generating station is expected to be completed in 2017.</p>	
1.5.2	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The generation capacity of Electricity Sector Affiliates will be the same as set out at 1.4.1 above but with the addition of 29.35 MW of generation capacity for Chaudiere Hydro L.P. and the removal of 9 MW of generation capacity. This results in a net increase of 20.35 MW of generation capacity.</p>	
1.5.3	<p>Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The total estimated average annual output from the project is 164 GWh (164,000 MWh) per year, which is a small fraction of a percentage of Ontario's total generation capacity and a small fraction of a percentage of the Annual Primary Demand. Combined with other respective Electricity Sector Affiliates, the market share based on anticipated MWh production would remain a small fraction of a percentage of Annual Primary Demand.</p>	
1.5.4	<p>Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.</p> <p>The project will increase the availability of green power in Ontario. All of the output from the facility is contracted to be provided to the IESO pursuant to a Hydro-Electric Standard Offer Program – Municipal Stream Contract (a “HESOP Contract”) for a period of 40 years from commercial operation. Therefore, proposal will not provide more generating capacity for wholesalers or energy retailers.</p>	

1.5.5	<p>Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.</p> <p>The project has been reviewed by Hydro Ottawa Limited (the distributor for the area), Hydro One and the IESO. The <i>Distribution Connection Impact Assessment</i> report prepared by Hydro Ottawa Limited dated July 29, 2014 concluded that there were “no material or unmanageable impacts on [Hydro Ottawa’s] Grid by adding or dropping the proposed generation”. The IESO <i>System Impact Assessment Report</i> dated January 23, 2015 concluded that “[t]he project, subject to the requirements specified in this report, will not result in a material adverse effect on the reliability of the integrated power system”. The Hydro One <i>Customer Impact Assessment</i> dated February 11, 2015 the project “will not have any adverse effect on the transmission connected customers of the area provided appropriate measures are taken to eliminate the risk of temporary over voltage.”</p>	
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1.6 Other Information

1.6.1	<p>Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.</p> <p>Chaudiere Hydro LP confirms that it is in compliance with all licence and code requirements and will continue to do so after completion of the project.</p>	
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PART II: SECTION 80 OF THE ACT—TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition

2.1.2	Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use. The output from the project will be sold to the IESO pursuant to a HESOP contract dated February 7, 2014.	
2.1.3	Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character. The generation station will be a run-of-the-river hydro-electric facility with an installed capacity of 29.35 MW. Other than in periods when the facility is shut down for maintenance, the facility operates at all times. As a run-of-the-river facility, it is considered to be base load.	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO. The generation facility will not operate under a “must run” contract.	
2.1.5	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints. This is not applicable to the project.	

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies. This is not applicable to this project.	
2.2.2	Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts. This is not applicable to this project.	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply. This is not applicable to this project.	
2.2.4	Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain. As noted above a System Impact Assessment Report has been completed. As the proponent is not claiming that the project is required for system reliability, a copy of the report is not attached but is available on request.	

**PART III: SECTION 81 OF THE ACT—GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING
A TRANSMISSION OR DISTRIBUTION SYSTEM**

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

3.1 Effect on Competition

3.1.1	Provide a description of the transmission or distribution system being acquired or constructed. This is not applicable to this project	
3.1.2	Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed. This is not applicable to this project.	
3.1.3	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints. This is not applicable to this project	
3.1.4	Provide details on whether the generation facilities are expected to sign a “must run” contract with the IESO. This is not applicable to this project.	

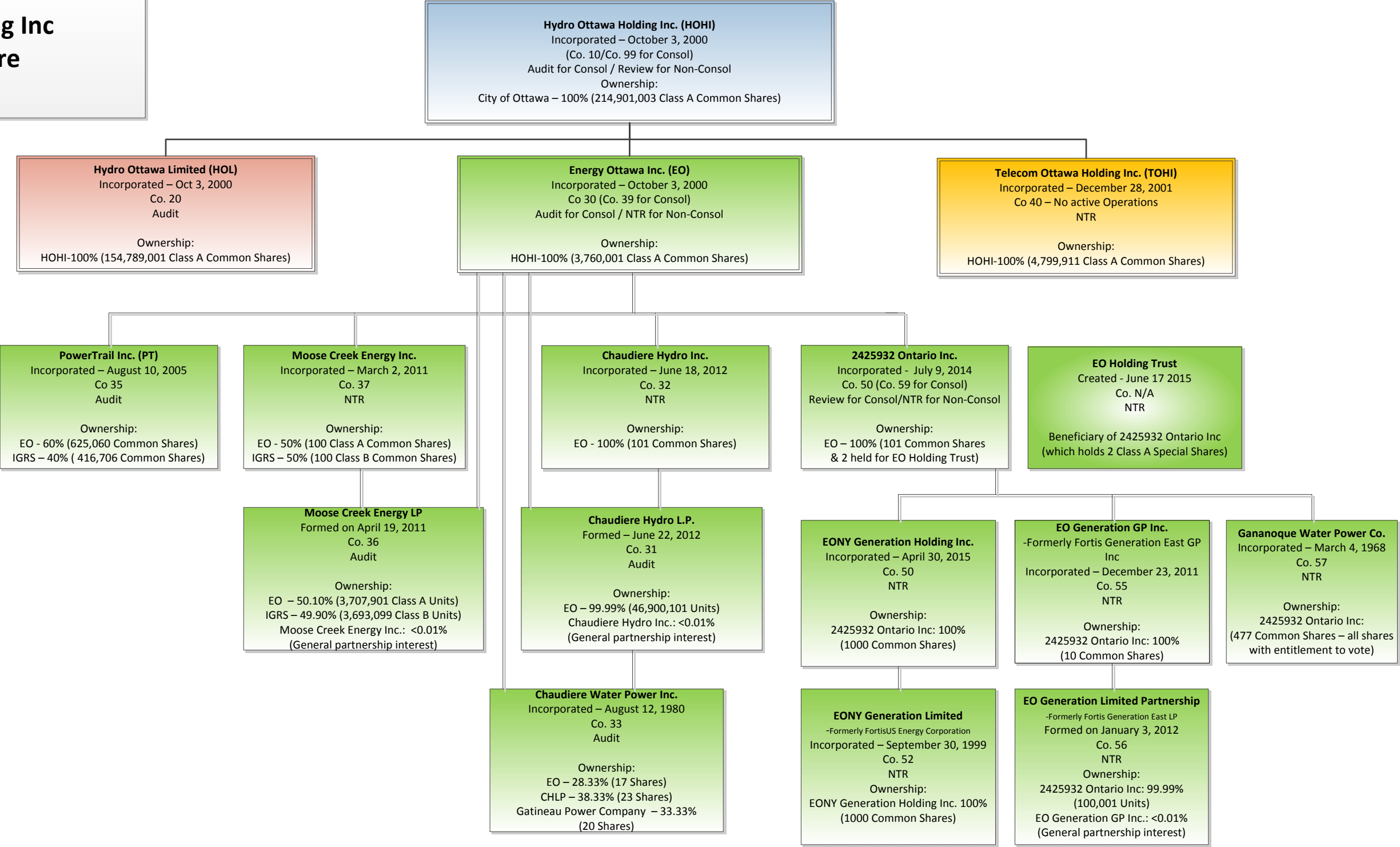
How to Contact the Ontario Energy Board

The Ontario Energy Board is located at:

P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, Ontario
M4P 1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	http://www.oeb.gov.on.ca
Board Secretary's e-mail address:	boardsec@oeb.gov.on.ca

Hydro Ottawa Holding Inc
Corporate Structure
As of July 17, 2015



Unrelated Third Parties:

Integrated Gas Recovery Services (IGRS) – A corporation whose shares are held by Comcor Environmental Limited and Integrated Municipal Services (IMS), a wholly owned subsidiary of Walker Industries Holding Limited

Gatineau Power Company – Subsidiary of Hydro Quebec

Pension Plan for Employees of
Chaudiere Hydro L.P. and
Participating Employers
Effective as at November 20, 2012
Audit