

Ontario Energy Board

**Notice of Proposal under Sections 80 and 81
of the *Ontario Energy Board Act, 1998 (the "OEB Act")***

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 3793257 Canada Inc. ("3793257")	File No: (Board Use Only)	
Address of Head Office 354 Davis Road Suite 100 Oakville, Ontario, L6J 2X1	Telephone Number 905-465-4500	
	Facsimile Number 905-465-4514	
	E-mail Address irene.raposo@libertyutilities.com	
Name of Individual to Contact Ryan Elger Vice President, Associate General Counsel, Algonquin Power & Utilities Corp.	Telephone Number 905-465-4454	
	Facsimile Number N/A	
	E-mail Address Ryan.Elger@libertyutilities.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Parties Algonquin Power & Utilities Corp. ("APUC")	Board Use Only	
Address of Head Office 354 Davis Road Suite 100 Oakville, Ontario, L6J 2X1	Telephone Number 905-465-4500	
	Facsimile Number 905-465-4514	
	E-mail Address irene.raposo@libertyutilities.com	

Name of Individual to Contact Ryan Elger Vice President, Associate General Counsel, , Algonquin Power & Utilities Corp.	Telephone Number 905-465-4454	
	Facsimile Number N/A	
	E-mail Address Ryan.Elger@libertyutilities.com	

1.2 Relationship between Parties to the Transaction or Project

1.2.1	Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.	
	<p><u>3793257 Canada Inc.</u></p> <p>Officers</p> <p>Arun Banskota – President Arthur Kacprzak – Treasurer Jennifer Tindale – Secretary</p> <p>Directors</p> <p>Arthur Kacprzak Arun Banskota</p> <p>Shareholders</p> <p>Algonquin Power & Utilities Corp. (100%)</p> <p><u>Algonquin Power & Utilities Corp.</u></p> <p>Officers</p> <p>Arun Banskota – President and Chief Executive Officer Christopher Jarratt – Vice Chair Arthur Kacprzak – Chief Financial Officer Anthony Johnston – Chief Operating Officer Jeffery Todd Norman – Chief Development Officer Mary Ellen Paravalos – Chief Compliance and Risk Officer Kirsten Olsen – Chief Human Resources Officer Jennifer Sara Tindale – Chief Legal Officer George Trisic – Chief Governance Officer and Corporate Secretary</p>	

	<p>Directors</p> <p>Kenneth Moore</p> <p>Christopher J. Ball</p> <p>Masheed H. Saidi</p> <p>Dilek L. Samil</p> <p>George L. Steeves</p> <p>Melissa Stapleton Barnes</p> <p>Christopher Huskison</p> <p>Christopher Jarratt</p> <p>D. Randy Laney</p> <p>Arun Banskota</p> <p>Shareholders</p> <p>The common shares of Algonquin Power & Utilities Corp. are listed for trading on the Toronto Stock Exchange and the New York Stock Exchange.</p>	
1.2.2	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>Appendix A is a chart of the existing organizational structure of Algonquin Power & Utilities Corp. and 3793257 Canada Inc. ("3793257") and their Ontario Electricity Sector Affiliates.</p> <p>Appendix B is a chart of the proposed organizational structure of Algonquin Power & Utilities Corp. and 3793257 and their Ontario Electricity Sector Affiliates after the transfer contemplated in this Notice occurs.</p>	

1.3 Description of the Businesses of Each of the Parties

1.3.1	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><u>3793257 Canada Inc.</u></p> <p>Currently, the Applicant, 3793257, is not actively carrying on business. All of its shares are directly owned by APUC.</p> <p><u>Algonquin Power & Utilities Corp.</u></p> <p>Algonquin Power & Utilities Corp. ("APUC") is a diversified international generation, transmission and distribution utility with approximately U.S.\$11 billion of total assets. Through its two business groups, Liberty Utilities and Liberty Power, APUC is committed to providing secure, safe, reliable, cost-effective, and sustainable energy and water solutions through a portfolio of rate-regulated natural gas, water, and electricity generation, transmission and distribution utility investments to approximately 807,000 connections in the United States and Canada.</p> <p>APUC is a global leader in renewable energy through its portfolio of long-term contracted wind, solar and hydroelectric generating facilities representing over 2 GW of installed capacity and more than 1.6 GW of incremental renewable energy capacity under construction. APUC is committed to delivering growth and the pursuit of operational excellence in a sustainable</p>	

manner through an expanding global pipeline of renewable energy, electric transmission, and water infrastructure development projects, organic growth within its rate-regulated generation, distribution, and transmission businesses, and the pursuit of accretive acquisitions.

APUC's common shares, Series A preferred shares, and Series D preferred shares are listed on the Toronto Stock Exchange under the symbols AQN, AQN.PR.A, and AQN.PR.D, respectively. APUC's common shares, Series 2018-A subordinated notes and Series 2019-A subordinated notes are listed on the New York Stock Exchange under the symbols AQN, AQNA and AQNB, respectively.

Electricity Sector Affiliates

The following entities are Electricity Sector Affiliates of both APUC and 3793257:

1) Liberty Utilities (Wataynikaneyap Transmission) LP

Liberty Utilities (Wataynikaneyap Transmission) LP is a minority and passive indirect investor in Wataynikaneyap Power LP ("**WPLP**"). (Liberty Utilities (Wataynikaneyap Transmission) LP owns a 20% interest in Fortis (WP) LP, and Fortis (WP) LP owns a 49% interest in WPLP.)

WPLP is a licensed transmission company, the limited partnership interests in which are held 51% by First Nations communities in equal shares through their interests in First Nation LP, and 49% by Fortis (WP) LP. Fortis (WP) GP Inc. has a 49% ownership interest in the general partner of WPLP, while the First Nations communities hold the remaining 51% ownership interest in the general partner of WPLP in equal shares through the general partner of First Nation LP. WPLP was established for the purposes of developing, constructing, owning and operating a new electricity transmission system in northwestern Ontario that is expected to reinforce and provide new supply to Pickle Lake and connect 16 remote First Nation communities to the provincial grid (collectively, the "**Transmission Project**").

2) Liberty Utilities (Canada) LP

Liberty Utilities (Canada) LP owns all of the limited partnership interests in Liberty Utilities (Wataynikaneyap Transmission) LP, and all of the shares of Liberty Utilities (Wataynikaneyap Transmission) GP Inc. which is the general partner of Liberty Utilities (Wataynikaneyap Transmission) LP.

3) Algonquin Power (Long Sault) Partnership

Algonquin Power (Long Sault) Partnership holds a 50% joint venture interest in the Long Sault Generating Station, an 18 MW hydro generating facility located on the Abitibi River, in Blount Township, District of Cochrane, Ontario, 19 km north of the Town of Cochrane. Algonquin Power (Long Sault) Partnership and N-R Power Partnership are jointly licensed as owners and operators of this generating station.

4) Algonquin Power Systems Inc.

5) Cornwall Solar Inc.

Cornwall Solar Inc. owns and operates the Cornwall Ground Mount Solar Project, a 10 MW solar powered generating facility located near Cornwall, Ontario, on County Road 19 Part Lot 5,6,7, conc. 5, Township of South Glengarry.

6) Windlectric Inc.

Windlectric Inc. owns and operates the Amherst Island Wind Project, a 74.11 MW wind powered generating facility located on Amherst Island near the village of Stella, approximately 15 kilometers southwest of Kingston, Ontario.

In all cases, the power generated by Affiliates of the Applicant flows into the IESO-controlled grid, and no particular service territory is served

1.3.2	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.																
	See the answer to question 1.3.1 above.																
1.3.3	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.																
	<table> <tr> <th>Generating Facility</th><th>2019 Sales In MWh</th><th>2019 Sales In \$</th></tr> <tr> <td>Long Sault</td><td>103,226</td><td>\$14,704,580</td></tr> <tr> <td>Cornwall Solar</td><td>15,074</td><td>\$6,673,567</td></tr> <tr> <td>Windlectric /Amherst Island</td><td><u>170,034</u></td><td><u>\$32,990,735</u></td></tr> <tr> <td>Total 2019 Sales</td><td><u>288,334</u></td><td><u>54,371,883</u></td></tr> </table> <p>All sales are to the IESO-administered markets.</p>	Generating Facility	2019 Sales In MWh	2019 Sales In \$	Long Sault	103,226	\$14,704,580	Cornwall Solar	15,074	\$6,673,567	Windlectric /Amherst Island	<u>170,034</u>	<u>\$32,990,735</u>	Total 2019 Sales	<u>288,334</u>	<u>54,371,883</u>	
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1.3.4	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>Licences held by affiliates of the Applicant:</p> <ol style="list-style-type: none"> 1) Electricity Generation Licence EG-2002-00407 (Algonquin Power (Long Sault) Partnership and N-R Power Partnership) 2) Electricity Generation Licence EG-2003-0197 (Algonquin Power Systems Inc.) 3) Electricity Generation Licence EG-2013-0265 (Cornwall Solar Inc.) 4) Electricity Generation Licence EG-2017-0120 (Windlectric Inc.) 																

1.4 Current Competitive Characteristics of the Market

1.4.1	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.	
	The Applicant and its affiliates have a combined generating capacity of approximately 103 MW in the Province of Ontario. See the answer to question 1.3.1 above for the capacity of each affiliate.	

1.4.2	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.	
	According to IESO market data, the Total Annual Ontario Energy Demand for 2019 was 135.1 TWh (source: http://www.ieso.ca/corporate-ieso/media/year-end-data). The anticipated production from the Applicant's affiliates represents a nominal percentage of the Annual Primary Demand for Ontario.	

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

1.5.1	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>The proposed transaction (the “Restructuring”) is strictly an internal restructuring of APUC’s holdings. There will be no new transmission or distribution systems or generation facilities as a result of the Restructuring. APUC currently owns all of the limited partnership units of Liberty Utilities (Canada) LP. APUC proposes to transfer all of its limited partnership units of Liberty Utilities (Canada) LP to 3793257. APUC owns all of the shares of 3793257, and APUC will continue to own all of the shares of 3793257 after the proposed Restructuring.</p> <p>Ownership of the general partner of Liberty Utilities (Canada) LP will not change; Liberty Utilities (Canada) GP Inc. will continue to own 1 general partner unit in Liberty Utilities (Canada) LP after the Restructuring.</p> <p>Appendix A and B are organizational charts of the existing and post-Restructuring structure of APUC, 3793257 and their Ontario Electricity Sector Affiliates.</p>	
1.5.2	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.	
	The completion of the proposed transaction will have no impact upon the generation capacity of the parties after the proposed transaction. APUC and the Applicant, and their Electricity Sector Affiliates will continue to have a combined generating capacity of approximately 103 MW in the Province of Ontario.	
1.5.3	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.	
	The completion of the proposed transaction will have no impact upon the generation market share within the Province of Ontario of the parties to the proposed transaction as the proposed transaction is only an internal restructuring.	
1.5.4	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>The proposed transaction will have no impact on competition as the proposed transaction is only an internal restructuring.</p> <p>The Applicant will be participating as a minority investor in WPLP and will have no control over the development, construction, or operation of WPLP's transmission line. WPLP's transmission line will be located over 500 km from the nearest generation facility owned by an affiliate of the Applicant, and the proposal will not impact customer choice regarding generation, wholesalers, or retailers.</p>	
1.5.5	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.	
	Confirmed.	

1.6 Other Information

1.6.1	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.	
	Neither the Applicant nor APUC is required to be licensed by the OEB, and they are not currently subject to any code requirements. To the best of the Applicant's knowledge, the Applicant's licenced affiliates are and will continue to be in compliance with all licence and code requirements.	

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.

NOT APPLICABLE

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.	
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.	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO.	
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.	

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.	
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.	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.	
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.	

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.	
	<p>The Applicant proposes to acquire, through a corporate restructuring, the interest that its parent APUC holds in Liberty Utilities (Canada) LP.</p> <p>Liberty Utilities (Canada) LP owns all of the limited partnership interests in Liberty Utilities (Wataynikaneyap Transmission) LP and has a 100% ownership interest in the general partner of Liberty Utilities (Wataynikaneyap Transmission) LP.</p>	

	<p>Liberty Utilities (Wataynikaneyap Transmission) LP indirectly owns a 9.8% interest in WPLP because Liberty Utilities (Wataynikaneyap Transmission) LP owns a 20% interest in Fortis (WP) LP, and Fortis (WP) LP holds a 49% interest in WPLP.</p> <p>WPLP is a licenced transmission (ET-2015-0264) and distribution company (ED-2017-0236) that is in the process of constructing approximately 1,800 kilometres of transmission lines in Northwestern Ontario to connect remote First Nations communities to the Ontario power grid. The project will reinforce the existing transmission grid to Pickle Lake, and then expand grid service north of Pickle Lake and Red Lake to ultimately connect 17 First Nations communities.</p>	
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.	
	The generation facilities owned by affiliates of the Applicant will not be directly connected to the transmission system that is being constructed by WPLP.	
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.	
	The generation facilities owned by affiliates of the Applicant are not expected to serve a "load pocket" or likely to be "constrained on" due to transmission constraints.	
3.1.4	Provide details on whether the generation facilities are expected to sign a "must run" contract with the IESO.	
	The relevant generation facilities are not expected to sign "must run" contracts with the IESO.	

How to Contact the Ontario Energy Board

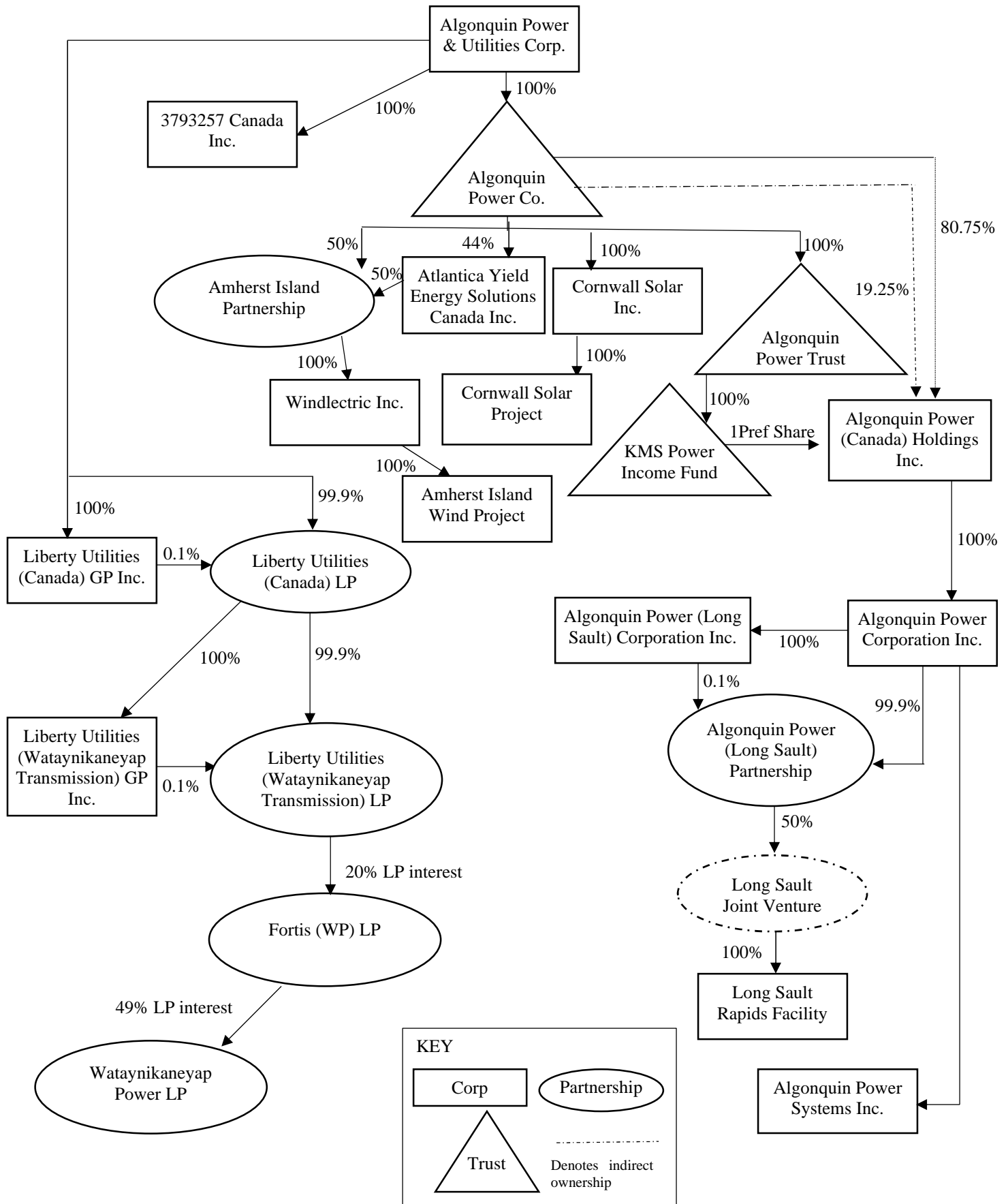
The Ontario Energy Board is located at:

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Website:	http://www.oeb.gov.on.ca
Board Secretary's e-mail address:	boardsec@oeb.gov.on.ca

Appendix "A"

Existing Structure between APUC and its Ontario Electricity Sector Affiliates



Appendix "B"

Post Reorganization Structure between APUC and its Ontario Electricity Sector Affiliates

