

## 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 Applicants <b>DTE Lake Erie Generation, Inc. (the "Applicant")</b>	File No: (Board Use Only)
Address of Head Office for the Applicant  <b>DTE Lake Erie Generation, Inc. 414 South Main Street Suite 600 Ann Arbor, MI 48104</b>	Telephone Number <b>734-604-9213</b>
	Facsimile Number <b>N/A</b>
	E-mail Address <b>david.fanning@dteenergy.com</b>
Name of Individual to Contact for each Applicant  <b>Jennifer Teskey Norton Rose Fulbright Canada LLP 222 Bay St Suite 3000 Toronto, ON M5K 1E7</b>	Telephone Number <b>416-216-2303</b>
	Facsimile Number <b>416-216-3930</b>
	E-mail Address <b>jennifer.teskey@nortonrosefulbright.com</b>

**Other Parties to the Transaction or Project***If more than one attach list*

Name of Other Parties <b>Stelco Inc.</b> <b>("Stelco")</b>	File No: (Board Use Only)	
Address of Head Office for Stelco  <b>Stelco Inc.</b> <b>380 Wilcox Street</b> <b>Hamilton, ON L8B 3T1</b>	Telephone Number <b>905-528-6662 (ext. 2838)</b>	
	Facsimile Number	
	E-mail Address <b>darcy.palmer@stelco.com</b>	
Name of Individual to Contact for Stelco <b>Darcy.palmer@stelco.com</b>	Telephone Number <b>905-528-6662 (ext. 2838)</b>	
	Facsimile Number	
	E-mail Address <b>darcy.palmer@stelco.com</b>	

## 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.

**DTE Lake Erie Generation, Inc.**

***Directors***

Chavez, JoAnn
Muschong, Lisa A
Ruud, David

***Officers***

Chavez, JoAnn	Vice President and Chief Tax Officer
Solo Jr., Michael J	Vice President and General Counsel
Muschong, Lisa A	Vice President, Corporate Secretary and Chief of Staff
Howard, James A	Assistant Controller
Stiers, Mark W.	President and Chief Executive Officer

**Stelco Inc.**

***Officers and Directors***

Alan Kestenbaum	Chief Executive Officer and Director
Suit Sanyal	Chief Operating Officer and Director
Paul Simon	General Counsel
Paul Scherzer	Chief Financial Officer

**Shareholder:** Stelco Holdings Inc. (TSX: STLC)

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.

- Attached to this notice at Appendix A is an organizational chart showing the corporate relationships between the Applicant and its various affiliates. The first two pages of Appendix A show the entire corporate organization of DTE-affiliated organizations; for ease of reference, we have highlighted the parent corporations of the Applicant in yellow highlighted boxes. The third page of Appendix A shows the direct corporate parents of the Applicant.

### 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> <ul style="list-style-type: none"> <li>- <b>The Applicant, DTE Lake Erie Generation, Inc., is a wholly-owned subsidiary of DTE Energy Services, Inc., which is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services in the United States and Canada.</b></li> <li>- <b>Stelco Inc. is a wholly-owned subsidiary of Stelco Holdings Inc. (together, "Stelco") and carries on business as a steel company based in Hamilton, Ontario.</b></li> <li>- <b>The Applicant has entered into an agreement with Stelco pursuant to which the Applicant will develop a power generation facility at Stelco's integrated steel production facility known as Lake Erie Works, located in Nanticoke, Ontario (the "Stelco Facility")</b></li> <li>- <b>The project will include the design and construction, by the Applicant, of a behind-the-meter Steam Turbine Generator (the "STG", described in more detail below) along with a transmission line less than 2 km in length (the "Transmission Line", described in more detail below). The purpose of the project is to supply electrical energy to the Stelco Facility.</b></li> <li>- <b>While the Transmission Line will ultimately be transferred to Stelco immediately following successful commissioning of the STG and the Transmission Line, there will be a period of time before such transfer during which the Applicant will hold an interest in both the STG and the Transmission Line. Therefore, the Applicant believes that an application under section 81 of the <i>Ontario Energy Board Act, 1998</i> is prudent.</b></li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>The STG will be located at the Stelco Facility on land which has been leased by Stelco to the Applicant for the purposes of the project.</b></li> <li>- <b>The Transmission Line will be entirely located at the Stelco Facility on land owned by Stelco and will run from the high side of the step-up transformer which forms part of the STG to the main switch yard located at the Stelco Facility.</b></li> <li>- <b>The electricity generated by the behind-the-meter STG will be delivered through the Transmission Line to the main switch yard at the Stelco Facility.</b></li> <li>- <b>Stelco has received a Retailer Licence in order to sell electricity generated by the STG to an industrial gas facility owned by Air Products Canada Limited (the Air Products Facility).</b></li> <li>- <b>A diagram of the Stelco Facility which shows the location of the Transmission Line, the Air Products Facility and the STG is attached to this notice at Appendix B.</b></li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>N/A. The STG is not yet operational.</b></li> </ul>	

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> <ul style="list-style-type: none"> <li>- <b>No Board licences are currently held by either party in respect of the project in particular. However, the Applicant understands that Stelco holds a Generation Licence.</b></li> <li>- <b>The Applicant is concurrently applying for a Generator Licence in respect of the STG's generation and conveyance of electricity to Stelco.</b></li> <li>- <b>The Applicant's view is that no Retailer Licence will be required in respect of the STG's intended conveyance of electricity to Stelco. The rationale for this view is that, under the agreement between Stelco and the Applicant, the Applicant's compensation in exchange for such conveyance will comprise monthly payments based solely on (i) the Applicant's capital costs incurred in completing the Transmission Line and STG; (ii) the Applicant's operating and maintenance costs in respect of the STG; and (iii) the Applicant's general and administrative costs. In other words, DTE will not be selling electricity to Stelco. If the Board believes that a Retailer Licence will nonetheless be required, the Applicant would be pleased to submit an application for the Board's consideration.</b></li> <li>- <b>Stelco has received a Retailer Licence in order to sell electricity generated by the STG to an industrial gas facility owned by Air Products Canada Limited.</b></li> </ul>	
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#### 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> <ul style="list-style-type: none"> <li>- <b>N/A. Neither the Applicant nor any of its affiliates currently generate electricity in Ontario.</b></li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>N/A. Neither the Applicant nor any of its affiliates currently generate electricity in Ontario.</b></li> </ul>	

#### 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> <ul style="list-style-type: none"> <li>- <b>The Applicant will conduct detailed design, engineering and development services. Specifically, the Applicant will construct a behind-the-meter, nominally rated 68.2 MW straight condensing Steam Turbine Generator (i.e. the "STG"), a steam surface condenser, a multi-cell cooling tower, and associated auxiliary equipment. The main steam supply to the STG will be provided by existing boilers at Stelco's existing Central Power Station.</b></li> </ul>	
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	<ul style="list-style-type: none"> <li>- Electricity generated from the new STG will be routed via a new behind-the-meter 230 kV Transmission Line less than two kilometres in length to Stelco's main switch yard.</li> <li>- The Applicant will be responsible for constructing both the STG and the Transmission Line to Stelco's main switch yard. Once the newly-constructed STG and Transmission Line are substantially completed and an agreed-upon initial performance test has been satisfied, ownership of the Transmission Line will transfer to Stelco.</li> <li>- Both parties intend to rely on O. Reg. 161/99, ss. 4.0.2 and 6.2(1)(c) such that neither a Leave to Construct application nor a Transmission Licence will be required with respect to the new Transmission Line.</li> <li>- The Applicant will continue to own and operate the STG following its commissioning, and will deliver electricity to Stelco in exchange for a fixed monthly charge. The Applicant intends to obtain a Generator Licence from the Board for that purpose. For the reasons set out above, the Applicant's view is that no Retailer Licence will be required in respect of the STG's intended conveyance of electricity to Stelco, but the Applicant would be pleased to submit an application for a Retailer Licence if the Board takes a different view.</li> <li>- Stelco has received a Retailer Licence in order to sell electricity generated by the STG to an industrial gas facility owned by Air Products Canada Limited.</li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>After the completion of the proposed transaction, it is currently contemplated that the Applicant and its affiliates will have a generation capacity of 68.2 MW</b></li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>According to the IESO, in 2020, the total annual Ontario energy demand was 132.2 TWh (or 132,200,000 MWh). After the completion of STG, the anticipated MWh production of the Applicant in Ontario will be approximately 220,752 MWh (based on an average output of 25.2 MW), or 0.16% of the total annual Ontario energy demand in 2020.</b></li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>The proposed project will have no impact on competition.</b></li> </ul>	
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> <ul style="list-style-type: none"> <li>- <b>The Applicant does not own or operate a distribution system.</b></li> <li>- <b>All electricity conveyed from the STG through the transmission system will be treated by the IESO for settlement purposes as behind-the-meter generation.</b></li> </ul>	

## 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> <ul style="list-style-type: none"><li>- <b>The Applicant is in compliance and will continue to be in compliance after completion of the proposed transaction with all licence and code requirements. We confirm that the Applicant intends to apply for a Generation Licence in connection with the STG.</b></li><li>- <b>If the Board takes the view that a Retailer Licence will be required in respect of the STG's intended conveyance of electricity to Stelco, the Applicant would be pleased to submit an application.</b></li></ul>	
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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	<p>Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.</p> <p><b>N/A</b></p>	
2.1.3	<p>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.</p> <p><b>N/A</b></p>	
2.1.4	<p>Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO.</p> <p><b>N/A</b></p>	
2.1.5	<p>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.</p> <p><b>N/A</b></p>	

### 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	<p>Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.</p> <p><b>N/A</b></p>	
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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.  <b>N/A</b>	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.  <b>N/A</b>	
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.  <b>N/A</b>	

**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.  - <b>The Transmission Line to be constructed will be a behind-the-meter 230 kV transmission line that will route electricity from the STG to Stelco's main switch yard.</b>	
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.  - <b>The STG will be directly connected to the Transmission Line.</b>	
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.  - <b>The STG is not expected to serve a "load pocket", nor is it likely to be "constrained on" due to transmission constraints.</b>	
3.1.4	Provide details on whether the generation facilities are expected to sign a "must run" contract with the IESO.  - <b>The STG is not expected to sign a "must run" contract with the IESO.</b>	

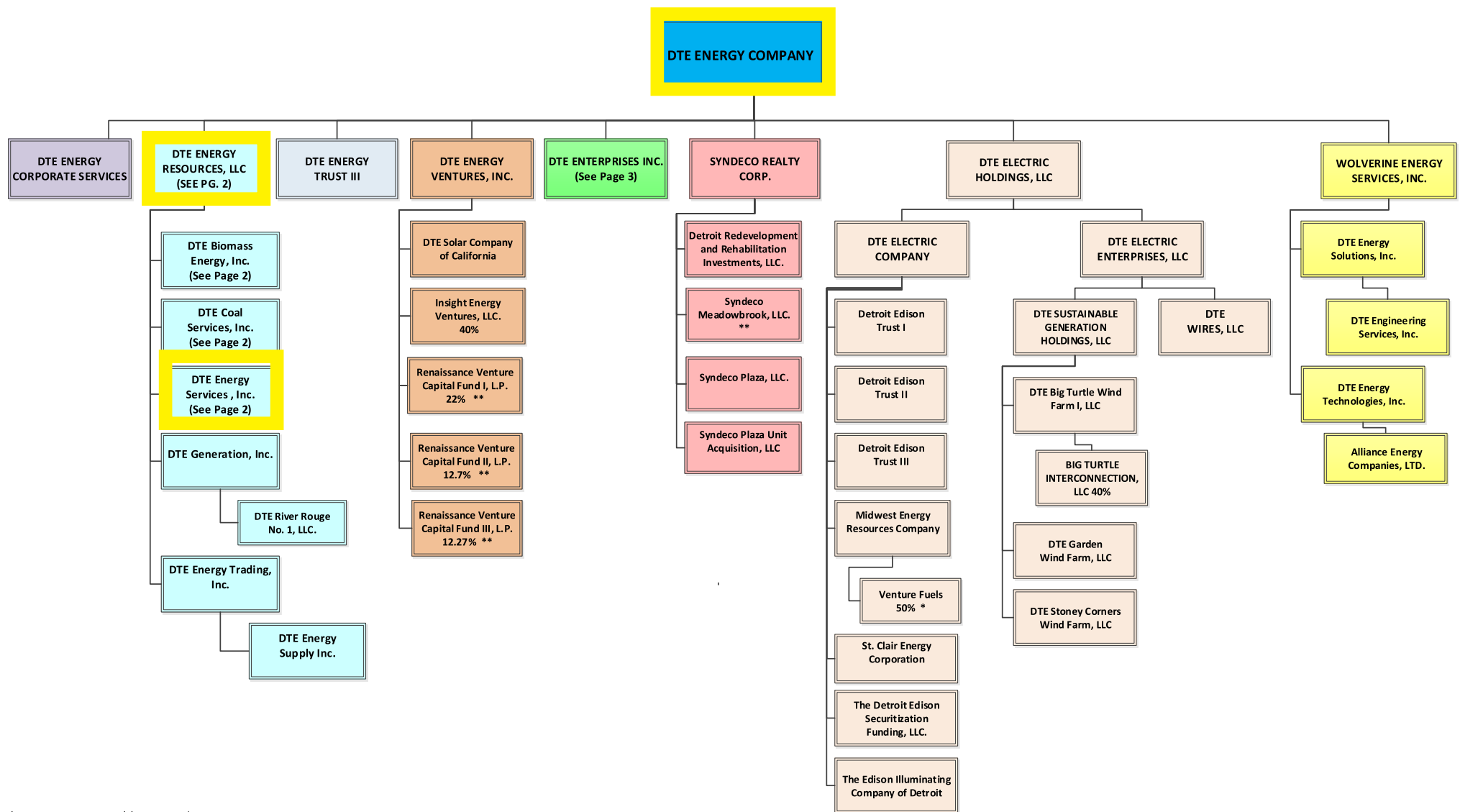


## **How to Contact the Ontario Energy Board**

The Ontario Energy Board is located at:  
P.O. Box 2319  
2300 Yonge Street, Suite 2701  
Toronto, Ontario  
M4P 1E4

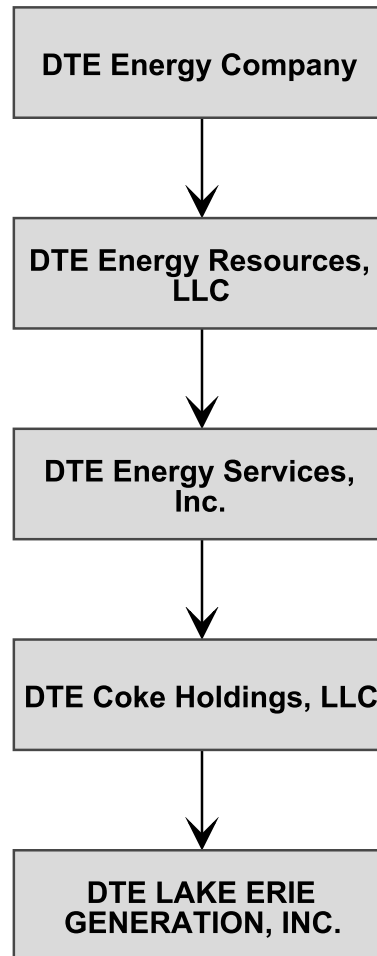
Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	<a href="http://www.oeb.gov.on.ca">http://www.oeb.gov.on.ca</a>
Board Secretary's e-mail address:	<a href="mailto:boardsec@oeb.gov.on.ca">boardsec@oeb.gov.on.ca</a>

# Appendix A



\* Joint Venture    \*\*Partnership





# Appendix B





DTE Lake Erie Generation  
Major Equipment locations

230kV Circuit Switchers  
at existing Stelco MSY

230 kV Transmission line

Existing Air  
Products Facility

230 kV Substation with  
GSU and Breaker

Existing Stelco  
CPS Building

Steam Turbine Building

Three Cell  
Cooling Tower