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ONTARIO ENERGY BOARD

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July 5, 2007

Delivered by Hand and E-mail

Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Notice of Proposal under Section 81 of the
Ontario Energy Board Act, 1998 as submitted by Thorold CoGen L.P.**

We represent Thorold CoGen L.P. in the above-stated matter.

Please find attached a Notice of Proposal (the "Notice") under Section 81 of the *Ontario Energy Board Act, 1998* with respect to the proposed acquisition of a 50% interest in an existing 500m transmission line and the future construction of a 300m transmission line. In addition to the Notice we also include the Generation and Retailer Licences of Thorold CoGen L.P. and the Generation Licence of Thorold CoGen Management Inc. which were granted in June 2007. We have included an original and 9 copies of the Notice and accompanying materials. We have also provided an electronic copy under separate cover.

Should the Board require any further information, please do not hesitate to contact the writer. Thorold CoGen L.P. will shortly be closing a financing related to this project and we would therefore ask that the Board review this application at its very earliest convenience.

As this Notice has been discussed with Brian Hewson, OEB Chief Compliance Officer, we are sending him a copy of the material under separate cover.

Yours very truly,

Borden Ladner Gervais LLP

Christine E. Long

CEL/ac
Enclosure
cc: Brian Hewson, OEB

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Ontario Energy Board

**Preliminary Filing Requirements for 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 Notice of Proposal to the Board under section 80 or 81 of the *Ontario Energy Board Act, 1998* (the "Act"), but who are not required to apply for an order of the Board under any other section of the Act as part of the same proposed transaction or project. This form does not apply to parties who are also, as part of the same transaction or project, applying for other orders of the Board such as under s. 85, 86, or 92

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 Thorold CoGen L.P.	File No: (OEB Use Only)	
Address of Head Office 30 St. Clair Avenue West 17 th Floor Toronto, ON M4V 3A1	Telephone Number (416) 962-6262	
	Facsimile Number (416) 962-6266	
	E-mail Address www.northlandpower.com	
Name of Individual to Contact Christine Long Borden Ladner Gervais LLP Counsel to Thorold CoGen L.P.	Telephone Number (416) 367-6683	
	Facsimile (416) 361-2770	
	E-Mail Address clong@blgcanada.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Party	OEB 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>THOROLD COGEN L.P.</p> <p>General Partner: Northland Power Thorold CoGen GP Inc.</p> <p><u>Officers of Northland Power Thorold CoGen GP Inc.:</u></p> <p>John Brace – President and Chief Executive Officer</p> <p>Anthony Anderson – Secretary and Chief Financial Officer</p> <p>Sam Mantenuto – Chief Operating Officer</p> <p><u>Directors of Northland Power Thorold CoGen GP Inc.:</u></p> <p>John Brace – Director</p> <p>Sam Mantenuto – Director</p>	
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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.

The chart below describes Thorold CoGen L.P. and its affiliates. Thorold CoGen L.P. takes the position that it is the only party to this Notice as it is acquiring a 50% interest in a 500m transmission line currently owned solely by Abitibi Consolidated Company of Canada ("ACCC"). ACCC will be the joint owner. In future Thorold CoGen L.P. will construct a 300m transmission line to connect to ACCC's transmission line.

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    graph TD
      NP[Northland Power Inc.] -- 100% owned by --> TCM[Thorold CoGen Management Inc.  
(Generator Operator)]
      NP -- Share --> NPTGP[Northland Power Thorold CoGen GP Inc.]
      NPTGP -- GP Units --> TCG[Thorold CoGen L.P.]
      NPTGP -- Class A LP Units --> TCG
      TCM -.- GP Units --> TCG
  
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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 to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced in Ontario ("Electricity Sector Affiliates").

Thorold CoGen L.P. will be the owner of a 265 MW Co-generation gas-turbine-based combined cycle generating facility (the "Facility") which will be located in Thorold, Ontario, adjacent to ACCC's recycled newsprint mill which will serve as the steam host. Thorold CoGen L.P. holds Electricity Generation Licence EG-2007-0101. Thorold CoGen L.P. gives this Notice as a result of a proposed acquisition of a transmission line and future construction of a transmission line. Thorold CoGen L.P. proposes to acquire a 50% ownership interest in a 500m existing transmission line (the "Existing Line"), currently owned by ACCC, on ACCC's property and which connects to the IESO-controlled grid. At a later date, Thorold CoGen L.P. proposes to construct a 300m transmission line which will attach to the Existing Line (the "New Line") and thus allow output from the Facility to reach ACCC and the IESO-controlled grid.

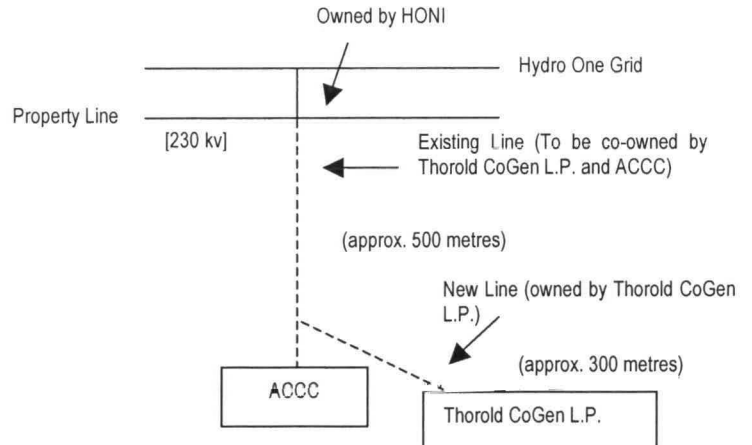
Thorold CoGen L.P. is an Ontario limited partnership formed by Northland Power Inc. to undertake the development of the Facility. Thorold CoGen L.P. will own the assets and enter into all material contracts and will be the borrower for all debt financing. Thorold CoGen L.P. has also received a Retailer License so that it may sell a small portion of electricity to

	<p>ACCC.</p> <p>Northland Power Inc. ("NPI") through a wholly owned subsidiary, Thorold CoGen Management Inc. will operate the Facility. NPI was established in 1987 and is a Canadian, privately-owned power company headquartered in Toronto, Ontario. The company's core business is the development, financing, construction, operation and maintenance of energy projects, including cogeneration, combined cycle, simple cycle, wind, and hydro-powered generating facilities. NPI is the sole shareholder of Northland Power Thorold CoGen GP Inc.</p> <p>Northland Power Thorold CoGen GP Inc. will be the general partner of Thorold CoGen L.P.</p> <p>Thorold CoGen Management Inc. will operate the Facility and holds Electricity Generation Licence (Operator) EG-2007-0102.</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>Thorold CoGen L.P.'s geographic territory will consist only of the specific area where the Facility is located: 2 Allanbury Road, Thorold, Ontario as indicated in its Generation Licence.</p>	
1.3.3	<p>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent year end of the existing generation output among the IMO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.</p> <p>Thorold CoGen L.P. does not currently produce any generation. The Facility is scheduled to be operational in 2010.</p>	
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 Director of Licensing or the Board, or forthcoming. Please include all Board file numbers.</p> <p>Thorold CoGen LP: EG-2007-0101 (Generator)</p> <p>Thorold CoGen LP: EB-2007-0100 (Retailer)</p> <p>Thorold CoGen Management Inc.: EG-2007-0102 (Generator)</p> <p>Northland Power Inc.: EG-2007-0103 (Generator)</p> <p>Northland Power Income Fund Management Inc.: EG-2003-0102 (Generator)</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 Energy Sector Affiliates, prior to the completion of the proposed transaction or project.</p> <p>In Canada, NPI operates (but does not own) five electric power generating facilities, including 8 gas turbines, 5 steam turbines and 30 wind turbines, under long-term operations and maintenance agreements. These plants include the 126 MW Iroquois Falls Cogeneration Facility in Iroquois Falls, Ontario, the 42 MW Cochrane Generating Station in Cochrane, Ontario, the 136 MW Kirkland Lake Generating Station in Kirkland Lake, Ontario, the 115 MW Kingston CoGen Facility in Kingston, Ontario, and the 54 MW Mont Miller wind farm in Quebec.</p> <p>Thorold CoGen L.P. has no generation capacity in the Province of Ontario, nor does its affiliates own any generation.</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 Energy Sector Affiliates, prior to completion of the proposed transaction or project.</p> <p>Thorold Cogen L.P. does not own any existing generation nor does its affiliates.</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>Thorold CoGen L.P. has acquired a Generator's Licence and will own a generation facility that is scheduled to become operational in 2010. In order to convey electricity to the IESO-controlled grid and a small portion of electricity to ACCC, Thorold CoGen L.P. wishes to co-own the Existing Line which connects to the IESO-controlled grid. The Existing Line is approximately 500m and is situated on ACCC's property. Thorold CoGen L.P. will also build the New Line in order to connect the Facility to the Existing Line.</p> 	
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1.5.2	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction of project, including each of their respective Energy Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The acquisition of joint ownership of the Existing Line and the construction of the New Line will not affect the generation capacity of Thorold CoGen L.P. However, when the Facility is operational in 2010, Thorold CoGen L.P.'s generation capacity will increase from zero to approximately 265 MW.</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 Energy Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The total Annual Ontario Energy Demand for 2005, as provided in the IESO's "Demand Overview"¹ is 157 TWh (157,000,000 MWh). The Facility will have a capacity of 265 MW. Even if the Facility were to operate at full capacity every hour in the year, it would produce 2,321,400 MWh. Therefore, the generation market share of Thorold CoGen L.P. and its energy sector affiliates would represent a small fraction of the Annual Primary Demand within Ontario.</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>There will be no impact on competition. Thorold CoGen L.P. will become a 50% owner of the Existing Line. Thorold CoGen L.P. will construct a New Line in order to connect to the Existing Line and facilitate generation reaching the IESO-controlled grid. Thorold CoGen L.P. has entered into a long-term Combined Heat and Power contract with the Ontario Power Authority, resulting from the Minister of Energy's June 15, 2005 directive to the OPA to solicit the supply of up to 1000 MW of high efficiency combined heat and power generation in Ontario.</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>There will be no impact on open access to the transmission system. Thorold CoGen L.P. will become a 50% owner of the Existing Line and sole owner of the New Line which will connect the Facility to the Existing Line.</p>	

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>Thorold CoGen L.P. confirms that it is in compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed transaction.</p>	
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¹ http://www.ieso.ca/imoweb/media/md_demand.asp, as at October 3, 2006.

PART II: TRANSMITTERS, DISTRIBUTORS ACQUIRING OR CONSTRUCTING GENERATORS - SECTION 80

All applicants filing 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.	
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 based-load character.	
2.1.4	Provide details on whether the generation facility is expected to be a "must run" facility.	
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 clause 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 IMO Preliminary System Impact Assessment Report, if completed, and the IMO Final System Impact Assessment Report, if completed. If the IMO is not conduct a System Impact Assessment Report, please explain.	

PART III: GENERATORS ACQUIRE OR CONSTRUCT TRANSMISSION, DISTRIBUTION – SECTION 81

All applicants filing 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. The only transmission asset being acquired is 50% (joint ownership) of a 500m transmission line which is currently owned by ACCC. In future, Thorold CoGen L.P. will construct the New Line in order to connect the Facility to the Existing Line.	
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 Facility will be directly connected to the New Line which in turn will be connected to the Existing Line.	

3.1.3	<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>The Facility is not expected to serve a load pocket and is not expected to be constrained on due to transmission constraints.</p>	
3.1.4	<p>Provide details on whether the generation facilities are expected to be "must-run" facilities.</p> <p>The Facility is not expected to be a "must run" facility.</p>	

How to Contact Us at the Ontario Energy Board

The Ontario Energy Board is located at:

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 Toronto, Ontario
 M4P 1E4

Telephone:	(416) 481-1967
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Website:	http://www.oeb.gov.on.ca
Board Secretary's e-mail address:	boardsec@oeb.gov.on.ca