



EB-2008-0142
EB-2008-0143
EB-2006-0144

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

AND IN THE MATTER OF applications by Cornwall Street
Railway Light and Power Company Limited and Canadian
Niagara Power Inc. pursuant to section 74 of the *Ontario
Energy Board Act, 1998* for certain amendments to
distribution licences ED-2004-0405 and ED-2002-0572, and
transmission licence ET-2003-0073.

By delegation, before: Jennifer Lea

DECISION AND ORDER

The Application

On June 13, 2008, Cornwall Street Railway Light and Power Company Limited ("Cornwall Electric") and Canadian Niagara Power Inc. ("CNPI") filed applications with the Ontario Energy Board requesting certain amendments to the distribution licences of Cornwall Electric (ED-2004-0405) and CNPI (ED-2002-0572), and to the transmission licence of CNPI (ET-2003-0073). With respect to the three licences, the applicants have requested the following amendments:

1. In Schedule 3 of the distribution licences (Schedule 2 of the transmission licence) to replace a reference to "FortisOntario Generation Corporation" with "Fortis Properties Corporation";
2. In Schedule 3 of the distribution licences to change a reference to the date of the Services Agreement from "July 23, 2003" to "September 15, 2005"; and
3. To replace references to "IMO" with "IESO".

With respect to its distribution licence, Cornwall Electric has requested the addition to Schedule 2 of its licence a reference to a new long term electricity purchase contract that was recently entered into by Cornwall Electric and HQ Marketing Inc.

The applicants have requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the *Ontario Energy Board Act, 1998* (the “Act”) as no person will be adversely affected in a material way by the outcome of this proceeding.

I find that no person will be adversely affected in a material way by the outcome of this proceeding, and therefore have disposed of this matter without a hearing.

The amendments are granted as requested.

Reasons

Replacement of FortisOntario Generation Corporation with Fortis Properties Corporation

Cornwall Electric, a licensed electricity distributor (ED-2004-0405), and CNPI, a licensed electricity distributor (ED-2002-0572) and transmitter (ET-2003-0073), are wholly-owned subsidiaries of Fortis Ontario Inc., which is a wholly-owned subsidiary of Fortis Inc. Each of the three licences contains a list of code exemptions. In particular, all three licences provide exemptions from certain sections of the Affiliate Relationships Code for Electricity Distributors and Transmitters (the “ARC”). In the distribution licences, these exemptions are specified in Schedule 3, and in the transmission licence they are specified in Schedule 2.

The exemption schedules also indicate that the exemptions from the requirements of the ARC are subject to certain conditions. Two conditions of note refer to “FortisOntario Generation Corporation”. Pursuant to an internal corporate reorganization of certain Fortis energy companies, FortisOntario Generation Corporation now forms part of Fortis Properties Corporation, a wholly owned subsidiary of Fortis Inc. It is appropriate to grant the amendments to recognize the new corporate name.

Change of date for Shared Services Agreements

Pursuant to a Board Decision and Order dated August 31, 2004 (RP-2003-0254 / EB-2003-0318) granting exemptions from certain provisions of the ARC, Fortis Ontario Inc. has filed with the Board four revised services agreements dated September 15, 2005. These services agreements replace earlier services agreements dated July 23, 2003 that are referred to in Schedule 3 of the distribution licences and Schedule 2 of the transmission licence. The amendments to recognize the new service agreements will be made.

Replacement of IMO with IESO

The corporate name of the Independent Market Operator ("IMO") has been changed to the Independent Electricity System Operator ("IESO"). The licences will be amended to recognize this change.

Inclusion of reference to New Long Term Contract with Hydro Quebec

Cornwall Electric is not connected to the IESO controlled grid and obtains its electricity supply from Hydro Quebec. As set out in its distribution licence, rates for consumers in the Cornwall Electric service territory are established pursuant to a franchise agreement with the City of Cornwall.

Schedule 2 of the Cornwall Electric licence, relating to Standard Supply Service, currently states that:

The Licensee shall obtain the electricity required to fulfill that obligation [to sell electricity under s. 29 of the Electricity Act] under and in accordance with the terms of the Licensee's agreement with Hydro Quebec dated September 23, 1994 or for so long as that agreement remains in effect.

The evidence shows that Cornwall Electric has entered into a new long term electricity supply contract dated May 23, 2008 with HQ Energy Marketing Inc., a wholly-owned subsidiary of Hydro Quebec, for a 100 MW supply of electricity for an 11 ½ year term. The distribution licence will accordingly be amended.

It is also appropriate to take this opportunity to make a number of editorial changes to the applicants' distribution and transmission licences, in order to reflect changes that have been made to the Board's distribution and transmission licence templates and to the Affiliate Relationships Code for Electricity Distributors and Transmitters.

IT IS ORDERED THAT:

1. Cornwall Street Railway Light and Power Company Limited's distribution licence (ED-2004-0405) is amended in accordance with the revised licence attached as Appendix A to this decision and order.
2. Canadian Niagara Power Inc.'s distribution licence (ED-2002-0572) is amended in accordance with the revised licence attached as Appendix B to this decision and order.
3. Canadian Niagara Power Inc.'s transmission licence (ET-2003-0073) is amended in accordance with the revised licence attached as Appendix C to this decision and order.

DATED at Toronto, September 10, 2008

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects

Appendix A

to

Decision and Order

EB-2008-0142

Cornwall Street Railway Light and Power Company (ED-2004-0405)

September 10, 2008

Appendix B
to
Decision and Order

EB-2008-0143

Canadian Niagara Power Inc. (ED-2002-0572)

September 10, 2008

Appendix C
to
Decision and Order

EB-2008-0144

Canadian Niagara Power Inc. (ET-2003-0073)

September 10, 2008