



Electricity Transmission Licence

ET-2007-0649

**Hydro One Sault Ste. Marie Inc. on
behalf of Hydro One Sault Ste. Marie LP**

**Valid Until
March 11, 2028**

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Ontario Energy Board

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LIST OF AMENDMENTS

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Definitions

In this Licence:

- 1 “**Accounting Procedures Handbook**” means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;
- 2 “**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;
- 3 “**Affiliate Relationships Code for Electricity Distributors and Transmitters**” means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;
- 4 “**Board**” means the Ontario Energy Board;
- 5 “**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;
- 6 “**Licensee**” means Hydro One Sault Ste. Marie Inc. on behalf of Hydro One Sault Ste. Marie LP
- 7 “**Market Rules**” means the rules made under section 32 of the Electricity Act;
- 8 “**Performance Standards**” means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;
- 9 “**Rate Order**” means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;
- 10 “**transmission services**” means services related to the transmission of electricity and the services the Board has required transmitters to carry out for which a charge or rate has been established in the Rate Order;
- 11 “**Transmission System Code**” means the code approved by the Board and in effect at the relevant time, which, among other things, establishes the obligations of a transmitter with respect to the services and terms of service to be offered to customers and provides minimum technical operating standards of transmission systems;
- 12 “**wholesaler**” means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

Interpretation

In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

Authorization

The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence to own and operate a transmission system consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment.

Obligation to Comply with Legislation, Regulations and Market Rules

The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.

The Licensee shall comply with all applicable Market Rules.

Obligation to Comply with Codes

The Licensee shall at all times comply with the following Codes (collectively the “Codes”) approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the Licensee are set out in Schedule 2 of this Licence. The following Codes apply to this Licence:

the Affiliate Relationships Code for Electricity Distributors and Transmitters; and the Transmission System Code.

The Licensee shall:

- make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and

- provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

Requirement to Enter into an Operating Agreement

The Licensee shall enter into an agreement (“Operating Agreement”) with the IESO providing for the direction by the IESO of the operation of the Licensee’s transmission system. Following a request made by the IESO, the Licensee and the IESO shall enter into an Operating Agreement within a period of 90 business days, unless extended with leave of the Board. The Operating Agreement shall be filed with the Board within ten (10) business days of its completion.

Where there is a dispute that cannot be resolved between the parties with respect to any of the terms and conditions of the Operating Agreement, the IESO or the Licensee may apply to the Board to determine the matter.

Obligation to Provide Non-discriminatory Access

The Licensee shall, upon the request of a consumer, generator, distributor or retailer, provide such consumer, generator, distributor or retailer, as the case may be, with access to the Licensee's transmission system and shall convey electricity on behalf of such consumer, generator, distributor or retailer in accordance with the terms of this Licence, the Transmission System Code and the Market Rules.

Obligation to Connect

If a request is made for connection to the Licensee's transmission system or for a change in the capacity of an existing connection, the Licensee shall respond to the request within 30 business days.

The Licensee shall process connection requests in accordance with published connection procedures and participate with the customer in the IESO's Connection Assessment and approval process in accordance with the Market Rules, its Rate Order(s) and the Transmission System Code.

An offer of connection shall be consistent with the terms of this Licence, the Market Rules, the Rate Order, and the Transmission System Code.

The terms of such offer to connect shall be fair and reasonable.

The Licensee shall not refuse to make an offer to connect unless it is permitted to do so by the Act or any Codes, standards or rules to which the Licensee is obligated to comply with as a condition of this Licence.

Obligation to Maintain System Integrity

The Licensee shall maintain its transmission system to the standards established in the Transmission System Code and Market Rules, and have regard to any other recognized industry operating or planning standards required by the Board.

Transmission Rates and Charges

The Licensee shall not charge for the connection of customers or the transmission of electricity except in accordance with the Licensee's Rate Order(s) as approved by the Board and the Transmission System Code.

Separation of Business Activities

The Licensee shall keep financial records associated with transmitting electricity separate from its financial records associated with distributing electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

Expansion of Transmission System

The Licensee shall not construct, expand or reinforce an electricity transmission system or make an interconnection except in accordance with the Act and Regulations, the Transmission System Code and the Market Rules.

Provision of Information to the Board

The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.

Without limiting the generality of paragraph 13.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) business days past the date upon which such change occurs.

Restrictions on Provision of Information

The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator, obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.

The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:

to comply with any legislative or regulatory requirements, including the conditions of this Licence;

for billing, settlement or market operations purposes;

for law enforcement purposes; or

to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.

Information regarding consumers, retailers, wholesalers or generators may be disclosed where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.

The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.

If the Licensee discloses information under this section, the Licensee shall ensure that the information is not be used for any other purpose except the purpose for which it was disclosed.

Term of Licence

The effective date of this Licence is March 12, 2008, and the Licence will expire on March 11, 2028. The term of this Licence may be extended by the Board.

Transfer of Licence

In accordance with subsection 18(2) of the Act, this Licence is not transferable or assignable without leave of the Board.

Amendment of Licence

The Board may amend this Licence in accordance with section 74 of the Act or section 38 of the Electricity Act.

Fees and Assessments

The Licensee shall pay all fees charged and amounts assessed by the Board.

Communication

The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

All official communication relating to this Licence shall be in writing.

All written communication is to be regarded as having been given by the sender and received by the addressee:

when delivered in person to the addressee by hand, by registered mail or by courier;

ten (10) business days after the date of posting if the communication is sent by regular mail; and

when received by facsimile transmission by the addressee, according to the sender's transmission report.

Copies of the Licence

The Licensee shall:

make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and

provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1

Specification of transmission facilities

This Schedule specifies the facilities over which the Licensee is authorized to transmit electricity in accordance with paragraph 3 of this Licence.

1. Great Lakes Power Inc. on behalf of Great Lakes Power Transmission LP's transmission facilities consist of:
 - 318.25 circuit km of 230 kV line and associated equipment;
 - 232.37 circuit km of 115 kV line and associated equipment; and
 - 11 circuit km of 44 kV line and associated equipment which was deemed by the Board as serving a transmission function under section 84 of the Act.

SCHEDULE 2

List of Code exemptions

This Schedule specifies any specific Code requirements from which the licensee has been exempted.

1. The Licensee is exempted from Section 11.2.1(b) of the Transmission System Code in that Algoma Steel Inc. is not required to pay bypass compensation, for a period of up to five years, (when Algoma Steel Inc. changes its connection point from Hydro One Sault Ste. Marie LP's Clergue TS to PUC (Transmission) LP's Tagona West TS,) in the manner approved in the OEB's Decision and Order in EB-2023-0360.
2. The Licensee is exempt from section 4.2.2 of the Transmission System Code for the sole purpose of limiting the application of gross load billing to Algoma Steel Inc. for Line Connection transmission service charges to the maximum capacity of up to 30 MW that can be supplied by the Licensee's transmission system through its COGEN#1 and COGEN #2 transmission lines.