

NOTICE OF APPLICATION AND HEARING

Application by Ottawa River Power Corporation for an Amendment to its Distribution Licence to Provide Exemptions from Section 3.2 of the Retail Settlement Code and from Section 2.2.2 of the Standard Supply Service Code

Ottawa River Power Corporation ("Ottawa River") has filed an application with the Ontario Energy Board under the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, for an order of the Board amending Ottawa River's distribution licence (ED-2003-0033) to allow an exemption from the requirements of section 3.2 of the Retail Settlement Code ("RSC") and from section 2.2.2 of the Standard Supply Service Code ("SSS").

Section 3.2 of the RSC Code and s. 2.2.2 of the SSS Code do not allow a distributor to purchase power from a generator that is not embedded within its service area. Section 3.2 of the RSC also does not allow a distributor to settle energy sales at a price other than the competitive electricity price as described in Appendix "A" to the RSC [the Hourly Ontario Electricity Price].

The application proposes continuing an arrangement whereby Ottawa River purchases approximately 30 percent of its power requirements from the Waltham Generating Station, which is owned by Brookfield Energy Marketing Inc. ("Brookfield Energy") and located in Quebec, about 15 miles from Ottawa River's service area. This arrangement has existed since 1904.

The current energy supply contract between Brookfield Energy and Ottawa River was established in 2002. Ottawa River sought clarification from the Ontario Energy Board whether its supply arrangements would be permissible going forward. The Ontario Energy Board's Chief Compliance Officer advised that Ottawa River needs to seek a licence amendment from the Ontario Energy Board, the subject of this proceeding.

How to see Ottawa River Power Corporation's Application

Copies of the application are available for inspection at the Board's office in Toronto and on its website, www.oeb.gov.on.ca, and at Ottawa River's office, and may be on its website.

How to Participate

You may participate in this proceeding in one of three ways:

1. Send a Letter with your Comments to the Board

Your letter with comments will be provided to the Board members deciding the application, and will be part of the public record for the application. Your letter must be received by the Board no later than **30 days** from the publication or service date of this notice. The Board accepts letters of comment by either post or e-mail at the addresses below.

2. Become an Observer

Observers do not actively participate in the proceeding but monitor the progress of the proceeding by receiving documents issued by the Board. You may request observer status in order to receive documents issued by the Board in this proceeding. If you become an observer, you need to contact the applicant and others in order to receive documents that they file in this proceeding and they may charge you for this. Most documents filed in this application will also be available on the Board's website. Your

request for observer status must be made in writing and be received by the Board no later than **10 days** from the publication or service date of this notice. The Board accepts observer request letters by either post or e-mail at the addresses below; however two paper copies are also required. You must also provide a copy of your letter to the applicant.

3. Become an Intervenor

You may ask to become an intervenor if you wish to actively participate in the proceeding. Intervenors are eligible to receive evidence and other material submitted by participants in the hearing. Likewise, intervenors will be expected to send copies of any material they file to all parties to the hearing.

Your request for intervenor status must be made by letter of intervention and be received by the Board no later than **10 days** from the publication or service date of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the outcome of this proceeding; and if you represent a group, a description of the group and its membership. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

The Board intends to proceed with this application and other applications for a 2009 electricity distribution rate cost of service review by including an oral component. That component may be in the form of a technical conference or an oral hearing. The extent of the oral component of the proceeding will be determined on a case by case basis. This approach will enable the Board to address certain matters more effectively than would be possible in a proceeding conducted entirely on a written basis. If you object to the Board proceeding in this fashion, your letter of

intervention must state the nature of the process you believe to be necessary and the reasons for undertaking such a process.

If you already have a user ID, please submit your intervention request through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. If you do not have a user ID, please visit the Board's website under e-filings and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services. The Board also accepts interventions by e-mail, at the address below, and again, two additional paper copies are required. Those who do not have internet access are required to submit their intervention request on a CD or diskette in PDF format, along with two paper copies.

How to Contact Us

In responding to this Notice, please reference Board file number EB-2008-0289 in the subject line of your e-mail or at the top of your letter. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's website at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT FILE AN OBJECTION TO THE PROCESS AS OUTLINED OR DO NOT REQUEST TO PARTICIPATE IN THIS PROCEEDING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THIS PROCEEDING.

Addresses

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

Attention: Mr. John Pickernell

Assistant Board Secretary

Tel: 1-888-632-6273 (toll free)

Fax: 416-440-7656

Ottawa River Power Corporation 283 Pembroke Street West

P.O. Box 1087

Pembroke ON K8A 6Y6

Attention: Mr. Douglas Fee, P. Eng.

President and CEO

Tel: (613) 732-3687 Fax: (613) 732-9838

DATED at Toronto, December 1, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli Board Secretary