



Electricity Transmission Licence

ET-2008-0342

Great Lakes Power Limited

Valid Until

March 31, 2009

Original signed by

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Date of Issuance: December 18, 2008
Effective Date: January 1, 2009

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	Table of Contents	Page No.
1	Definitions	1
2	Interpretation	4
3	Authorization	4
4	Obligation to Comply with Legislation, Regulations and Market Rules	4
5	Obligation to Comply with Codes.....	4
6	Requirement to Enter into an Operating Agreement	6
7	Obligation to Provide Non-discriminatory Access.....	6
8	Obligation to Connect	6
9	Obligation to Maintain System Integrity	6
10	Transmission Rates and Charges.....	6
11	Separation of Business Activities.....	7
12	Expansion of Transmission System.....	7
13	Provision of Information to the Board.....	7
14	Restrictions on Provision of Information	7
15	Term of Licence	8
16	Transfer of Licence	8
17	Amendment of Licence	8
18	Fees and Assessments.....	8
19	Communication	8
20	Copies of the Licence	9

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SCHEDULE 1	SPECIFICATION OF TRANSMISSION FACILITIES	10
SCHEDULE 2	LIST OF CODE EXEMPTIONS.....	11

1 Definitions

In this Licence:

"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;

"Act" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"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;

"Board" means the Ontario Energy Board;

"commercial transaction" means the transfer of ownership of all of Great Lakes Power Limited's transmission facilities and any related assets, rights and obligations in respect of its transmission business to Great Lakes Power Transmission LP;

"Electricity Act" means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

"Licensee" means Great Lakes Power Limited;

"Market Rules" means the rules made under section 32 of the Electricity Act;

"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;

"Rate Order" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"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;

"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;

"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.

2 Interpretation

- 2.1 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.

3 Authorization

- 3.1 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, until the date the commercial transaction closes.
- 3.2 After the date the commercial transaction closes, the Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in the Licence to operate a transmission system, consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment.

4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 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.
- 4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

- 5.1 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:
- a) the Affiliate Relationships Code for Electricity Distributors and Transmitters; and
 - b) the Transmission System Code.
- 5.2 The Licensee shall:
- a) 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
 - b) 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.

- 5.3 The Licensee shall ensure that its directors, officers, employees and agents:
- a) provide transmission service in a non-discriminatory manner with respect to its own generation division and other generators;
 - b) do not discriminate in matters concerning the availability of transmission services or the curtailment of service;
 - c) do not disclose information considered confidential under the Market Rules with respect to the availability of transmission services or existing or potential transmission transactions including, without limitation, information relating to outages of equipment to any affiliate of the Licensee, any third party or any officer, employee or agent engaged in the business of the Generation Division of the Licensee other than system operators or their immediate supervisors;
 - d) do not disclose information considered confidential under the Market Rules with respect to the provision of generation or the preparation of bids or offers to any officer, employee or agent of the Licensee that is engaged in the business of the Transmission and Distribution Division;
 - e) engaged in the business of the Transmission and Distribution Division of the Licensee do not receive information considered confidential under the Market Rules from any officer employee or agent of the Generation Division of the Licensee with respect to the provision of generation or the preparation of bids; and
 - f) engaged in the business of the Generation Division of the Licensee, other than system operators or their immediate supervisors, do not receive information considered confidential under the Market Rules from any officer, employee or agent of the Transmission and Distribution Division with respect to the availability of transmission services or existing or potential transmission transactions including, without limitation, information relating to outages of equipment.
- 5.4 Despite section 5.3 of this Licence, the disclosure to and receipt by a director or officer of the Licensee of confidential information is permitted where such person requires the information for the due performance of that person's duties and responsibilities or as part of ensuring compliance with the requirements set out in section 5.3.
- 5.5 Despite section 5.3 of this Licence and subject to section 5.6 below, the disclosure and receipt of information considered confidential under the Market Rules is permitted between the Generation Division and the Transmission and Distribution Division where such disclosure would be required or permitted under the Market Rules, or any applicable Board orders, licences, codes or policies, as if the Generation Division and the Transmission and Distribution Division of the Licensee were separate legal entities
- 5.6 The Licensee shall not avail itself of the exception set out in section 5.3.1.3, Chapter 3 of the Market Rules in order to avoid the restrictions on communications contained in section 5.3 of the Licence.
- 5.7 The Licensee shall develop and implement a protocol to assist it in complying with its obligations under section 5.3 of this Licence and the Licensee shall file the protocol and any amendments which it makes to the protocol from time to time.

6 Requirement to Enter into an Operating Agreement

- 6.1 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.
- 6.2 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.
- 6.3 After the date the commercial transaction closes, the Licensee shall ensure that the transmission system described in Schedule 1 of this Licence is subject to an operating agreement with the IESO.

7 Obligation to Provide Non-discriminatory Access

- 7.1 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.

8 Obligation to Connect

- 8.1 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.
- 8.2 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.
- 8.3 An offer of connection shall be consistent with the terms of this Licence, the Market Rules, the Rate Order, and the Transmission System Code.
- 8.4 The terms of such offer to connect shall be fair and reasonable.
- 8.5 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.

9 Obligation to Maintain System Integrity

- 9.1 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.

10 Transmission Rates and Charges

10.1 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.

10.2 After the date the commercial transaction closes, the Licensee shall perform or cause to be performed the obligations set out in section 10.1 as directed by the licensed owner of the transmission system.

11 Separation of Business Activities

11.1 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.

12 Expansion of Transmission System

12.1 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.

13 Provision of Information to the Board

13.1 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.

13.2 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.

14 Restrictions on Provision of Information

14.1 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.

14.2 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:

- a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
- b) for billing, settlement or market operations purposes;
- c) for law enforcement purposes; or
- d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.

- 14.3 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.
- 14.4 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.
- 14.5 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.

15 Term of Licence

- 15.1 This Licence shall take effect on January 1, 2009 and expire on March 31, 2009.

16 Transfer of Licence

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

17 Amendment of Licence

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

18 Fees and Assessments

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

19 Communication

- 19.1 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.
- 19.2 All official communication relating to this Licence shall be in writing.
- 19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
- a) when delivered in person to the addressee by hand, by registered mail or by courier;
 - b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
 - c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

20 Copies of the Licence

20.1 The Licensee shall:

- a) 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
- b) 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 Limited'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.