

*Excerpt from the oral hearing transcript EB-2005-0551,
Volume 4, June 27, 2006, pages 152 line 1 to page 153 line 11.*

DECISION:

MR. KAISER: The first matter relates to the Union settlement agreement, which is approved, subject to the following comments with respect to the F24-T matter. In that regard, the Board approves the rates, but has the following concerns with respect to the allocation that was proposed.

You will recall that Union felt there may be a requirement to ration the initial F24-T service - I think it was estimated at 500,000 gigaJoules a day - and proposed that that be allocated to those that had participated in the 2007 open season expansion.

The Board has concluded this is not the proper manner in which to allocate this capacity for a number of reasons. First, the Dawn-Trafalgar costs are rolled in; Secondly, the facilities are in place to serve all M12 customers; and, finally, the information on the open season with respect to this matter contained no indication of this additional service or that there would be a link between participation in the open season and eligibility for this new capacity.

Instead, the Board has concluded that the exfranchise Ontario Power Generator customers should receive priority. Again, there are three reasons we offer for that.

The first was, of course, that the service was designed primarily with their requirements in mind. The second is that the service is being offered on a pilot basis, and in those circumstances this Board doesn't believe that there is any

unjust discrimination, or to use the words of one of the intervenors, the discrimination would be just and warranted.

A draft order has been prepared in this regard, which we would ask you, Mr. Leslie, and other interested parties to review. I don't need to read it at this point. You can review it at your leisure. It gives effect to, in greater detail, the principles that I have stated and exactly which customers will qualify, and further details. The Board can be spoken to if there are any concerns with respect to that, or you can settle it with Commission counsel.