



RP-2001-0034
RP-2001-0035
RP-2001-0036
RP-1999-0044

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

AND IN THE MATTER OF an Applications by Great Lakes
Power Limited, Canadian Niagara Power Inc., and Five
Nations Energy Inc., for an Order or Orders approving just
and reasonable rates; and

AND IN THE MATTER OF approvals granted by the Board
in the RP-1999-0044 proceeding.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

Bob Betts
Member

DECISION AND ORDER

Uniform Pooled Transmission Rates and Revenue Allocators

Under section 78 of the *Ontario Energy Board Act, 1998* (“the Act”) a transmitter may only charge for the transmission of electricity in accordance with an order of the Ontario Energy Board (“the Board”).

The Board decided to establish uniform pooled (wholesale) rates effective upon market opening for electricity transmission services in the IMO-controlled grid and to establish these rates by means of a two-phase process. In the first phase, the Board would approve a revenue requirement and load forecast for each transmitter other than Hydro One Networks Inc. (“H1N”). (The Board had already approved a revenue requirement and load forecast for H1N under docket number RP-1999-0044). In the second phase of the process, in response to a joint

application by all transmitters having Board approved revenue requirements and load forecasts and seeking Board approved wholesale transmission rates, the Board would determine the uniform pooled transmission rates and applicable pool revenue allocators.

The Board received applications for phase one of the process from Great Lakes Power Limited ("GLPL"), Canadian Niagara Power Inc. ("CNPI"), and Five Nations Energy Inc. ("FNEI"). The Board assigned these applications file numbers RP-2001-0035, RP-2001-0034, and RP-2001-0036 respectively.

On December 11, 2001, the Board issued Phase One decisions approving load forecasts and revenue requirements for GLPL, CNPI, and FNEI. In the cases of GLPL and CNPI, the Board's approval was final while for FNEI the Board's approval was interim pending further examination of the issues.

On December 17, 2001, based on the approved revenue requirements and load forecasts for H1N, GLPL, CNPI, and FNEI ("the joint applicants"), the Board approved pooled transmission rates and revenue allocators under joint docket numbers RP-1999-0044, RP-2001-0035, RP-2001-0034, and RP-2001-0036. The approval was on an interim basis, pending review of the interim approval granted to FNEI, effective upon subsection 26(1) of the *Electricity Act, 1998*, coming into force.

On April 24, 2002, the Board made final determination with respect to the revenue requirement and load forecast for FNEI.

On April 26, 2002, the Board received a submission from the joint applicants for pooled transmission rates and revenue allocators based on the applicants' final approved revenue requirements and load forecasts. The submission also included a common set of Terms and Conditions for transmission service. This document was based on the document previously approved by the Board in its January 15, 2001 Order to H1N under RP-1999-0044.

Treatment of Export Revenues

The Board, in its Order issued January 15, 2001 under file number RP-1999-0044, authorized H1N to set up a deferral account to deal with export revenues. In this proceeding, in its response to Board staff IR #5, CNPI stated:

CNPI understands that the proposal before the Board is that revenues from the \$1 per MWh charge on the export of electricity will ultimately be paid to the transmitter on whose lines the exports flow. The proposal is for the transmitter to apply these revenues to reduce the revenue requirement of the following year. CNPI supports this proposal and will abide by it; including with regards to any exports on CNPI's 25 Hz transmission lines.

The April 26, 2002 submission of the joint applicants included a \$1 per MWh charge for export transmission service.

Board Findings:

The Board finds that the rates, revenue allocators and the Terms and Conditions proposed by the joint applicants are just and reasonable with the addition of the word "directly" in two instances (one in the Terms and Conditions, the other in the rate schedule) referring to the customer connection to the transmission system.

The Board finds that the treatment of export revenues accorded to H1N in the Board's Order issued January 15, 2001 under file number RP-1999-0044 is appropriate for each of the four transmitters, where applicable.

THE BOARD ORDERS THAT:

1. The Terms and Conditions and the rates set out in Appendix "A" are approved, effective upon subsection 26(1) of the *Electricity Act, 1998* coming into force.
2. The revenue allocators set out in Appendix "B" are approved, effective upon subsection 26(1) of the *Electricity Act, 1998* coming into force.
3. The Accounting Order to provide for tracking of Export Transmission Service (ETS) revenue set out in Appendix "C" is approved, effective upon subsection 26(1) of the *Electricity Act, 1998* coming into force.

ISSUED at Toronto, April 30, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary