

**Ontario Energy
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**Commission de l'Énergie
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July 14, 2000

Mr. T. B. Curtis
Vice President, Finance and
Chief Financial Officer
Canadian Niagara Power Inc.
P.O. Box 1218
1130 Bertie Street
Fort Erie, Ontario
L2A 5Y2

Re: Transmission System Code - RP-2000-0057

Dear Mr. Curtis:

The Board has approved the Transmission System Code (“the Code”). Compliance with the Code is a condition of the Transitional Transmission Licence issued to transmitters. The Code comes into force on the date that subsection 26 (1) of the Electricity Act is proclaimed. A copy of the Code is enclosed with this letter. The Code is also posted on the Board’s website at www.oeb.gov.on.ca.

The process to formulate this Code started in December 1999 with a letter which was sent to interested parties, inviting participation in an industry task force charged with developing the technical requirements for connection to the transmission system and the criteria for economic evaluation of new connections. The task force was also asked to develop conditions of service as the basis of a mandatory connection agreement between transmitters and their customers. Following deliberations of the Task Force, a draft Code was circulated on May 1, 2000 for wider consultation to interested stakeholders who did not have representatives on the Task Force. In issuing this Code, the Board took into consideration the Task Force’s recommendations and all the written responses received from more than fifteen stakeholders.

The Board wishes to highlight two requirements of the Code: These two areas are:

- (1) development of a process, as outlined in section 2.6 of the Code, relating to the review of equipment deemed compliant with the Code’s technical requirements.

- (2) development of performance standards and triggers for review related to the customer delivery point level as outlined in section 2.5 of the Code.

These sections of the Code require transmitters to file with the Board the processes or standards that are developed for the Board's review. Stakeholders indicated interest in these two matters through the task force process and the consultation phase. Given the need to ensure an efficient review process by the Board of the filings related to these two matters, the Board encourages transmitters to undertake consultations with stakeholders prior to finalizing any proposals for the Board's review.

If you have any questions regarding the Code or require clarification, you may contact Brian Hewson, Manager, Energy Licensing at (416) 440-7628 or Nabih Mikhail at 416-440-8103.

Yours Truly,

Peter O'Dell
Assistant Board Secretary