



Licence

EO-2005-0302

Ontario Power Authority

Valid Until

December 31, 2010

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1 Definitions

In this Licence:

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

"**Board**" means the Ontario Energy Board;

"**Board of Directors**" means the Licensee's board of directors referred to in section 25.4 of the *Electricity Act*;

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

"**Licence**" means this licence;

"**integrated power system plan**" means an integrated power system plan referred to in section 25.30 of the *Electricity Act*;

"**Licensee**" means the Ontario Power Authority established under Part II.1 of the *Electricity Act*;

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

"**Regulations**" means regulations made under the *Act* or the *Electricity Act*.

2 Interpretation

- 2.1 In this Licence words and phrases not defined in paragraph 1.1 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 this 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 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 Board, in the exercise of the powers conferred by Part V of the *Act*, licenses the Licensee to exercise its powers and perform its duties under the *Electricity Act*, subject to the conditions set out in this Licence.

4 Licence Fees and Assessments

- 4.1 The Licensee shall pay all any fees charged by the Board or amounts assessed by the Board.

5 Legislation and Market Rules

- 5.1 The Licensee shall comply with all applicable provisions of the *Act*, the *Electricity Act* and the Regulations.
- 5.2 The Licensee shall comply with all applicable provisions of the Market Rules.

6 Term of Licence

- 6.1 This Licence shall take effect on September 30, 2005, and terminate on December 31, 2010.

7 Provision of Information to the Board

- 7.1 The Licensee shall provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 7.2 Without limiting the generality of paragraph 7.1, the Licensee shall:
- a) provide such information as the Board may require from time to time to enable the Board to monitor the Licensee's compliance with the conditions of this Licence and any other legislative or regulatory requirements set out in this Licence;
 - b) notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the Licensee's ability to comply with this Licence, its financial integrity, or its ability to carry out its responsibilities under the *Act* or the *Electricity Act*, as soon as practicable after the occurrence of any such change, but in any event within fifteen days of the date upon which such change becomes known to the Licensee;
 - c) provide the Board with a copy of the Licensee's annual report at the time it is submitted to the Minister;
 - d) provide the Board with a copy of the Licensee's Governance and Structure By-law, as referred to in section 25.16 of the *Electricity Act*, within 15 days of the date on which it is made by the Board of Directors, of any By-law amending same and of any notice given by the Minister under section 25.16 (5) or 25.16 (7) of the *Electricity Act*;
 - e) provide the Board with a copy of the Licensee's annual business plan, as referred to in section 25.22 of the *Electricity Act*, within 15 days of the date on which it is approved by the Minister;
 - f) provide the Board with a copy of the annual report of the Chief Energy Conservation Officer, as referred to in section 25.11 of the *Electricity Act*, at the time it is submitted to the Minister; and
 - g) provide the Board with a description of any processes established by the Licensee under section 25.12 of the *Electricity Act* and of any changes to such processes.

8 Fees and Charges

- 8.1 The Licensee may impose fees and charges to recover the cost of its activities in accordance with an order of the Board, or as permitted by law.

9 Books of Account and Financial Reporting

- 9.1 The Licensee shall maintain proper books of account and adhere to generally accepted accounting practices, and shall maintain such financial records or accounts as the Board may require from time to time. The Licensee shall notify the Board of any material change to its accounting procedures.
- 9.2 Unless otherwise provided by law, the Licensee shall establish and maintain, in accordance with the direction or orders of the Board where applicable, such variance accounts as may be necessary to record all amounts payable or receivable by it under the *Act* or the *Electricity Act*.
- 9.3 Unless otherwise provided by law, the Licensee shall, no less than 60 days before the beginning of each fiscal year of the Licensee, submit the Licensee's proposed expenditure and revenue requirements for the fiscal year and the fees it proposes to charge during that year to the Board for review and approval.

10 Integrated Power System Planning Process

- 10.1 The Licensee shall develop and submit an integrated power system plan to the Board for review and approval at least once every three years, or more frequently if required by the Minister or the Board.
- 10.2 When required under section 25.30 (5) of the *Electricity Act*, the Licensee shall resubmit the integrated power system plan to the Board within such time as may be specified by the Board.

11 Procurement Process

- 11.1 The OPA shall, as required by the *Electricity Act*, develop appropriate procurement processes for managing electricity supply, capacity and demand in accordance with its approved integrated power system plans.
- 11.2 The OPA shall apply to the Board for approval of its proposed procurement processes, referred to in paragraph 11.1, and any amendments to the processes it proposes.
- 11.3 When required under section 25.31 (4) of the *Electricity Act*, the Licensee shall resubmit its proposed procurement processes and any amendments to the processes it proposes to the Board within such time as may be specified by the Board.

12 Communication

- 12.1 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.
- 12.2 All official communication relating to this Licence must be in writing.

- 12.3 All 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 or electronic transmission by the addressee, according to the sender's transmission report.

13 Copies of the Licence

- 13.1 The Licensee shall:
- a) post this Licence on its website and make a copy of this Licence available for inspection by members of the public at its office 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.