

Details of Exemption Request

Hydro One Transmission has commenced a reconductoring project that will increase the transfer capability on the transmission lines between Richview and Trafalgar. For safety reasons, one of the Milton Hydro's customer, Enbridge, must be transferred from their normal supply (Glenorchy MTS M20) to an alternate supply (Trafalgar TS M6) for approximately 1-2 years, beginning on July 6th. The transfer will result in Enbridge's load facility being connected upstream of the existing wholesale revenue metering for the Trafalgar M6 feeder, which is owned by Oakville Hydro. Please refer to Figure 1 for additional outage information and details and Figure 2 for the operating single line diagram capturing the new connection.

The IESO Market Rules requires all electricity conveyed from the IESO-controlled grid to be measured by a wholesale revenue meter. Since Enbridge's connection is retail metered, the proposed metering arrangement will not comply with Section 2.1.1.1 of Chapter 6 of the IESO Market Rules. Enbridge's load is very small (~ 2 kW). Hydro One considered several options to address this issue, which are detailed in the table below:

Solution Option	Estimated Cost	Other Notes
1) Hydro One becomes the MMP for the Enbridge load facility and temporarily registers and installs a wholesale revenue meter at the new connection point to the Trafalgar M6.	\$250K	
2) Hydro One becomes the MMP for the Enbridge load facility and redeploys the old wholesale bus metering at Trafalgar TS to meter the Enbridge load facility.	\$250-350K	Cost is dependent on a site review of the existing bus metering and may not be feasible.
3) Construct a temporary line (≈ 0.75 km) to connect Enbridge's load downstream of Oakville Hydro's wholesale revenue meter point on the Trafalgar M6.	> \$1 M	Option would require burying a new line, traversing a highway, construction approvals and coordination with Oakville Hydro.
4) Enbridge to supply their load using a diesel generator for a period of 1 – 2 years.	> \$1 M	Likely not feasible as a backup generator is typically used for short duration outages.
5) Hydro One to seek an exemption from the Market Rules. Under the exemption, Hydro One would act as the MMP for the Enbridge load facility and register a new virtual meter point for settlement purposes. Settlement would be based on historical data obtained from Enbridge's existing retail meter.	N/A	

With the exception of solution option #5, all of the solution options indicated above are labor intensive and costly. The cost of solution options #3 and #4 would not only be significant but they would present additional challenges from a design and logistical standpoint that would likely make them infeasible. In

Hydro One’s view, solution option #5 is the only cost-effective and practical solution for addressing the issues presented by this temporary load transfer.

Hydro One met with the IESO on July 24th to discuss potential solution options. Following this meeting, the IESO recommended that Hydro One file for an exemption from Section 2.1.1.1 of the IESO Market Rules. Hydro One is therefore requesting a temporary exemption from the Market Rules in respect of the temporary transfer of Enbridge’s load to the Trafalgar M6 feeder for the duration of its reconductoring project. Under the exemption, Hydro One will act as the metered market participant for Enbridge’s load facility and will provide an estimate of the facility’s consumption to the IESO based on historical data obtained from Enbridge’s retail meter. The estimate will be verified and validated using actual data from Enbridge’s retail meter during the settlement period and Hydro One will in turn bill Milton Hydro for the appropriate wholesale market charges based on the Enbridge’s actual metered data consumption.

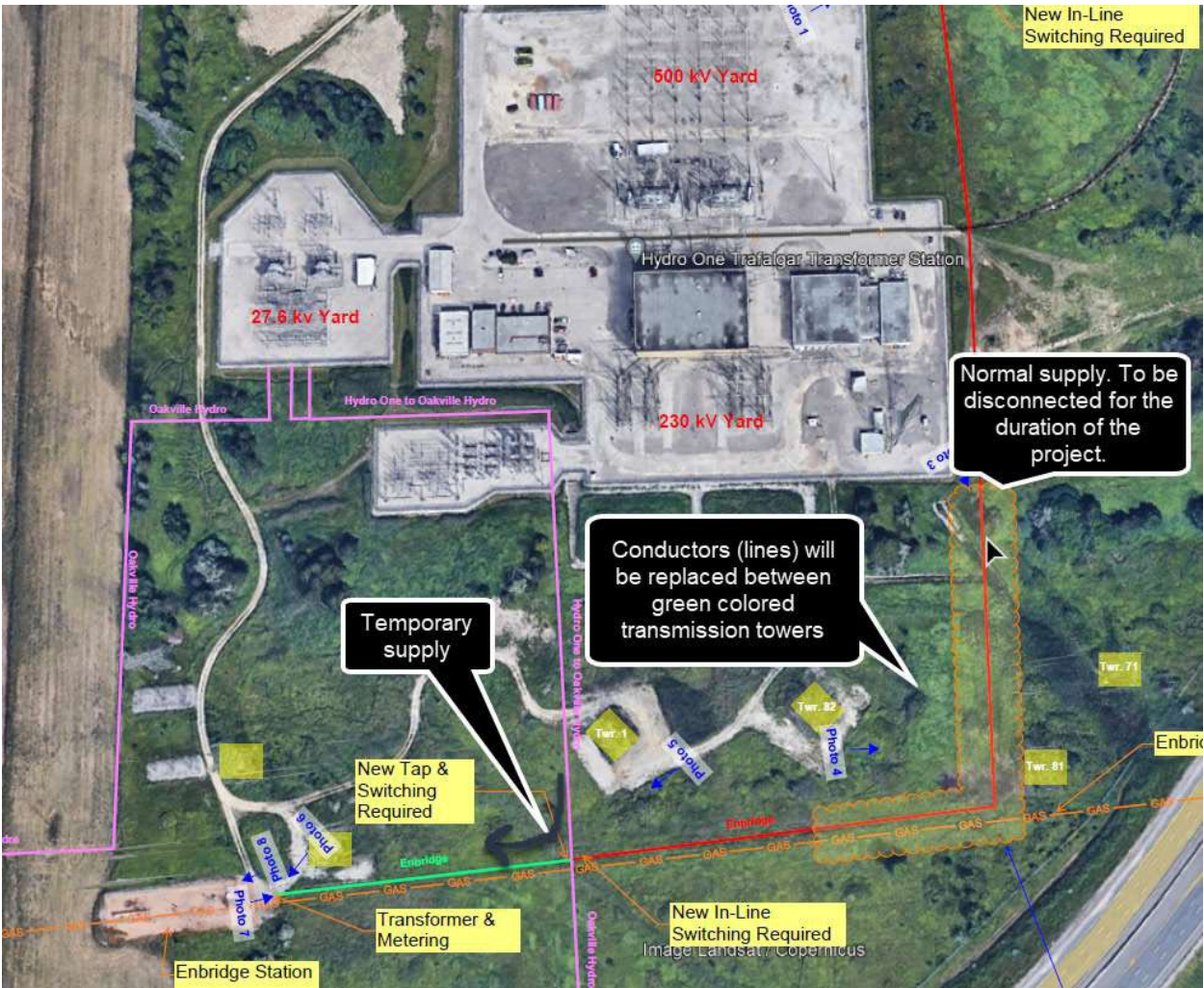


Figure 1: Transfer of Enbridge Station Load to Trafalgar M6