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## IMO Staff Recommendation to Panel on Exemption Application (General)

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### PART 1 – GENERAL INFORMATION

Market Participant Name: **Great Lakes Power Limited -Distribution Division, Great Lakes Power Limited - Transmission Division, Great Lakes Power Limited - Generation Division (GLP).**

Location/Site: Various across the Province

Exemption Application ID: 01-1183

Market Participant ID:

## PART 1 – GENERAL INFORMATION

**Description of Exemption Requested:** GLP is requesting an exemption from requirements for new metering installation to have secondary cabling from instrument transformers to the metering enclosure be visually traceable at the following sites:

Harris GS (106157), Hogg GS (106157), Steephill GS (106168), Andrews G1 (106150), Andrews G2 (106151), Andrews G3 (106152), Mission GS (106165), and Goulais DS (106177).

**Date Exemption Application Received:** November 19, 2001

**Date all relevant application information supplied by applicant:** November 19, 2001

**IMO Management Approvals Obtained (YES or NO):** Yes

**Are there any outstanding disputes or compliance actions involving the applicant or the subject matter of this exemption application? (YES or NO):** NO.

**Are there any outstanding rule amendments involving the subject matter of this exemption application? (YES or NO):** NO.

**Section of the *Exemption Application and Assessment Procedure* under which the Exemption Application is made:**

- *Section 1.4*

**Market Rule(s) or related Market Manual(s) from which exemption is requested (copy of Market Rule(s) or Manual(s) attached):** Section 7.4.1 k) of the Wholesale Revenue Metering Standard – Hardware

**Third Party Submissions Received (YES or NO):**

**Supplemental Assessment Information Attached (YES or NO):** NO

**Related Historical Exemption Application(s) or Related Exemption Application(s) in Process (YES or NO):** Yes, 01-1215, provided.

**Role of applicant in the market as it relates to this exemption application:** Meter Owner.

## Part 2 – Recommendation

**Recommendation:** Granted with conditions

**Criteria Used in Assessment of General Exemption Applications (Section 1.4.2 of *Exemption Application and Assessment Procedure*):**

*(If X appears in a box, the criterion is applicable to this exemption application and is evaluated in Part 3 – Details of Assessment; if X does not appear in a box, the criterion is not applicable to this exemption application.)*

Whether the exemption that is the subject-matter of the exemption application would, if granted, materially:

- impact the ability of the IMO to direct the operations and maintain the reliability of the IMO-controlled grid; ☐

- impact the ability of the IMO to ensure non-discriminatory access to the IMO-controlled grid; ☐

- affect the ability of the IMO to operate the IMO-administered markets in an efficient, competitive, and reliable manner; ☒

Comment: See “Assessment” section in Part 3.

- increase costs of market participants; or ☐

- increase costs of the IMO; ☐

Whether the exemption that is the subject-matter of the exemption application would, if granted, give the exemption applicant an undue preference in the IMO-administered markets; ☐

Whether the cost or delay to the exemption applicant of complying with the obligation or standard to which the exemption application relates is reasonable, having regard to the nature of the obligation or standard, the nature of the exemption application and the anticipated impact of non-compliance by the exemption applicant in terms of the elements referred to above;



Comment: See “Cost to comply with Market Rules” section in Part 3.

The adequacy of the exemption plan submitted by the exemption applicant; ☐

Where the exemption applicant is the IMO, the identification of the benefit to market participants of compliance with the obligation or standard relative to the financial and other resources required to achieve compliance within such deadlines as may be applicable; ☐

Where the exemption applicant is the IMO, the manner in which it proposes to operate in the IMO-administered markets or direct the operations and maintain the reliability of the IMO-controlled grid during the period in which the exemption would be in effect; ☐

Whether the facility or equipment that is the subject-matter of the exemption application:

- was in service or was returned to service on the date on which the obligation or standard to which the exemption application relates came into force; ☐

Comment: metering installations that are the subject matter of these exemptions were **not** in service at the time the obligation or standard to which the exemption application relates came into force

- was ordered by the exemption applicant on or prior to the date on which the obligation or standard to which the exemption application relates came into force; or ☐

- was in the process of construction on or prior to the date on which the obligation or standard to which the exemption application relates came into force; and ☐

The capability of the owner of the facility to operate the facility consistent with the terms of the proposed exemption. ☐

## PART 3 – DETAILS OF ASSESSMENT

### **Market Rule Requirement:**

For metering installations not classified as “existing” as defined by Chapter 6 section 4.4.1 of the Market Rules, Section 7.4.1 k) of the Wholesale Revenue Metering Standard – Hardware requires that “cabling from the instrument transformers to the meter enclosure shall be routed in dedicated conduit, and the route shall be visually traceable”.

### **Assessment:**

The intent of the above section in the Standard is to ensure that the cabling between the instrument transformers and the meters are free of tampering and can be confirmed as such by the IMO auditor. There are two aspects to this requirement.

1. Secondary cabling in dedicated conduit ensures there is neither interference from other circuits or any connected circuits that may contain unauthorized loads and affect the accuracy of the meter data.
2. Secondary cabling is visually traceable to allow the IMO to check the length of the circuit for any unauthorized connections during on-site audits and to ensure that the meters are indeed connected to the instrument transformers as registered.

This exemption request is only for the second requirement above.

The nature of this exemption application would have an impact on the operation of the IMO-administered markets in an efficient manner regarding accuracy of billing and protection from fraud. Routine audits of secondary cabling to check for interference or unauthorized connections assure accuracy of metering data. Having secondary cabling visibly traceable enables auditors on an on-going basis to confirm no tampering has taken place.

GLP has advised that portions of the secondary cabling route are embedded in concrete and a portion is buried in the ground. GLP has indicated that leaving the cabling visibly traceable on the surface of the ground exposes the cabling to degradation due to mechanical damage. Cable burial is common practice in the electrical power industry to allow for general access to a site by truck or other maintenance machinery.

Due to the above concern, IMO staff recommend the exemption be granted, provided that it can be assured that the second requirement above is reasonably satisfied. Through compliance with the conditions of this exemption, IMO staff will be reasonably satisfied that the second condition is met.

### **Cost to comply with Market Rules:**

Great Lakes Power estimates that it would cost between \$75,000 and \$100,000 per site to meet the requirement. This estimate does not include outage costs at each location. Total cost of compliance for the eight sites would be \$600,000 to \$ 800,000.

### **Payment of Costs**

If the IMO discovers tampering either by GLP or another entity, the Metered Market Participant will be responsible for the payment of costs resulting from the tampering. These costs can include but are not limited to adjustments to invoices and costs incurred by the IMO.

### **PART 3 – DETAILS OF ASSESSMENT**

**IMO Staff Recommendation:**

IMO staff recommend granting this exemption at the applicable location with the following conditions:

1. If tampering is detected, this exemption will expire at the tampered location immediately.
2. If the IMO discovers tampering either by GLP or another entity, GLP will be responsible for the payment of costs resulting from the metering installation tampering. These costs can include but are not limited to adjustments to invoices and costs incurred by the IMO.
3. The integrity of the existing cable in dedicated conduit to be witnessed and certified by a Professional Engineer.
4. The location and routing of the buried cable to be clearly identified on the site plans and marked and protected by suitable means.

### **PART 3 – DETAILS OF ASSESSMENT**

## PART 4 – TERMS AND CONDITIONS

<b>Effective Date of Exemption</b> (or event causing exemption to become effective)	Date the application was received
<b>Date of Expiration of Exemption</b> <ul style="list-style-type: none"> <li>• If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date</li> <li>• Circumstances which will cause the exemption to immediately expire</li> </ul>	This exemption will expire at the earliest of the following dates or events: <ul style="list-style-type: none"> <li>a) substantial upgrade of the Current Transformer Secondary connections</li> <li>b) upgrade of the metering installation</li> <li>c) If tampering is detected, this exemption will expire at the tampered location immediately.</li> </ul>
<b>Market Rule (s) or related Market Manual(s) from which the Exemption is granted</b>	Wholesale Revenue Metering Standard – Hardware section 7.4.1 k)
<b>Restrictions on the manner of operation and/or additional obligations to be met during the term of the Exemption, if any</b>	None
<b>Monitoring Information Required</b> Information required to be provided by the Exemption Applicant for monitoring by the IMO	None
<b>Payment of Costs</b> <ul style="list-style-type: none"> <li>• Processing Costs (when introduced)</li> <li>• Incremental Exemption Costs</li> <li>• Settlement amounts to be withheld or repaid</li> </ul>	None



## PART 4 – TERMS AND CONDITIONS

<p><b>Reconsideration/ Removal</b></p> <ul style="list-style-type: none"> <li>• Date on which the Exemption will be reconsidered (<i>if applicable</i>)</li> <li>• Circumstances under which the Exemption will be reconsidered (<i>if applicable</i>) other than unforeseen future change in circumstances</li> </ul>	<p>No foreseen circumstances of reconsideration.</p>
<p><b>Transferability</b></p> <ul style="list-style-type: none"> <li>• List the terms and conditions that need to be met to allow for a transfer of this exemption to be approved by IMO staff</li> </ul>	<p>Approval to transfer this exemption may occur once the following criteria have been met:</p> <ol style="list-style-type: none"> <li>1. the transfer meets applicable terms and conditions set forth in the <i>exemption</i> itself and whether the transfer would affect the ability of the proposed transferee to comply with all of the terms and conditions of the <i>exemption</i>;</li> <li>2. the proposed transferee is a <i>market participant</i> or undertakes in writing to the <i>IMO</i> to apply for authorization as a <i>market participant</i>; and</li> <li>3. the extent to which the transfer of the <i>exemption</i> will impact the timely implementation of the plan to become compliant with the exempted obligation (such plan may be the <i>exemption</i> plan, modified as required by the Panel as part of the terms and conditions of the <i>exemption</i>).</li> </ol>
<p><b>Other:</b></p>	<p>The integrity of the existing cable in dedicated conduit to be witnessed and certified by a Professional Engineer.</p> <p>The location and routing of the buried cable to be clearly identified on the site plans and marked and protected by suitable means.</p> <p>If the IMO discovers meter tampering either by GLP or another entity, the Metered Market Participant will be responsible for the payment of costs resulting from the meter tampering. These costs can include but are not limited to adjustments to invoices and costs incurred by the IMO.</p>