

DECISION OF THE INDEPENDENT PANEL - Application No. 01-1144

Exemption Application: Application No. 01-1144 made by Ontario Power Generation Inc. (OPGI) with respect to the Crystal Falls generation station site.

Panel Hearing the Application: James Baillie, Carl Anderson, Glenna Carr, John Grant, Peter Jones, Robert McGavin, and Carol Perry.

Date Application Heard: November 30, 2001

Market Rules from which Exemption is Requested: Baseline 6.5, Market Rule Chapter 2, Appendix 2.2, Subsection 1.1.1.1.

The exemption is granted from the Market Rules, Baseline 6.6, Market Rules Chapter 2, Appendix 2.2, Subsection 1.1.1.1.

Decision: The exemption is granted with conditions.

Effective Date of the Exemption: May 7, 2000, the date on which the exemption application was received.

Conditions of the Exemption: As a condition of the exemption, the applicant must maintain the normal priority path facility for the purpose of communicating with the IMO.

Term of the Exemption: The term of the exemption is for the lifetime of the equipment.

Reconsideration: The exemption application will be reconsidered if the existing plant and operational configuration at Northbury Control Centre changes or if the IMO designates that Northbury Control Centre must install a high priority path for reliability purposes.

Reasons of the Panel

Appendix 2.2, Subsection 1.1.1.1 of Chapter 2 requires that all generation control centres provide and maintain a normal and high priority path facility for the purpose of communicating with the IMO, regardless of the total amount of generation controlled. OPGI has stated that the only generation facility controlled from Northbury Control Centre that OPGI intends to register with the IMO for the purpose of participating in the IMO-administered markets is Crystal Falls generating station. In making our decision on the exemption application, we have considered the criteria set out in section 1.5 of the "Exemption Assessment and Application Procedure." Based on our review of the criteria, the material provided in the exemption application and the IMO staff recommendation, we are of the opinion that granting the exemption application will not

materially impact the ability of the IMO to direct the operations, maintain the reliability of the IMO-controlled grid, nor will it affect the ability of the IMO to operate the IMO-administered markets in an efficient, competitive and reliable manner. The cost to comply was considered but was not a determining factor in the decision.


We are satisfied that the communication path with Northbury Control Centre is sufficient for the IMO to operate the IMO-controlled grid and the IMO-administered markets efficiently and reliably. For this reason, we have determined that the term of the exemption is for the lifetime of the equipment.

We take note of the fact that the exemption applicant had no comments on the IMO staff recommendation on the exemption application.

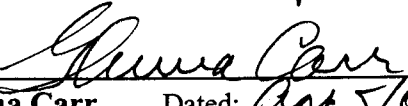
Transfer:


Approval to transfer the exemption may occur once the following criteria have been met;

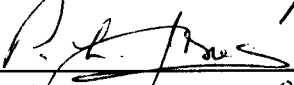
1. The transfer meets the applicable terms set forth in this exemption.
2. The transfer would not affect the ability of the proposed transferee to comply with all the terms and conditions of the exemption; and
3. The proposed transferee is a market participant or undertakes in writing to the IMO to apply for authorization as a market participant.



James Baillie Dated: Apr 5, 2002

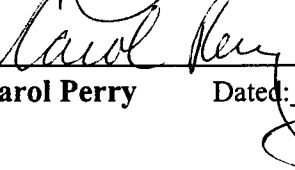

Carl Anderson Dated: Apr 5, 2002


Glenna Carr Dated: Apr 5/02, 2002


John Grant Dated: Apr 5, 2002


Peter Jones Dated: April 5, 2002


Robert McGavin Dated: April 5, 2002


Carol Perry Dated: April 5, 2002