

DECISION OF THE INDEPENDENT PANEL - Exemption Application No. 01-1183

Exemption Application: Application No. 01-1183 made by Great Lakes Power Limited Distribution Division ("GLP").

Panel Hearing the Application: Glenna Carr, Carl Anderson and John Grant

Date Application Heard: March 25, 2003.

Market Rules from which Exemption is Requested: Wholesale Revenue and Metering Standard – Hardware (the "Hardware Standard"), section 7.4.1(k).

Decision: GLP is granted an exemption on the terms and conditions specified herein.

Effective Date of the Exemption: November 19, 2001, the date the exemption application was received.

Conditions of the Exemption: The exemption is granted on the following conditions:

- (a) If tampering is detected, this exemption will expire immediately.
- (b) 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.
- (c) The integrity of the existing cable in dedicated conduit to be witnessed and certified by a Professional Engineer.
- (d) The location and routing of the buried cable to be clearly identified on the site plans and marked and protected by suitable means.

Term of the Exemption: The exemption shall expire at the earliest of the following:

- (a) a substantial upgrade of the Current Transformer Secondary connections;
- (b) an upgrade of the metering installation; or
- (c) if tampering is detected, the exemption will expire at the tampered location immediately.

Reconsideration of the Exemption: At this time there are no foreseen circumstances that would warrant reconsideration.

Transfer: Approval to transfer the exemption may be granted once the following criteria have been met:

- (a) the transfer meets the applicable terms and conditions set forth in the exemption and the transfer would not affect the ability of the proposed transferee to comply with all the terms and conditions of the exemption;
- (b) the proposed transferee is a market participant or undertakes in writing to the IMO to apply for authorization as a market participant; and
- (c) the transfer of the exemption will not materially and adversely impact the timely implementation of the plan to become compliant with the exempted obligation.

Reasons of the Panel

In rendering our decision, we have considered GLP's Exemption Application, the IMO Staff Recommendation, the applicable sections of the Market Rules and the Hardware Standard, and the Exemption Application and Assessment procedure.

GLP seeks an exemption from Section 7.4.1(k) of the Hardware Standard. Specifically, GLP is requesting an exemption from the requirement that new metering installations have visually traceable secondary cabling from instrument transformers to the metering enclosure 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). GLP is seeking an exemption for the lifetime of the metering installations.

Applicant's Position

Portions of the secondary cabling between instrument transformers and meter enclosures at the above sites are not visually traceable because the cabling is either embedded in concrete or buried underground. GLP seeks the exemption on the basis that the installation of secondary cabling in an embedded conduit is common practice in the electrical industry. Also, GLP contends that the removal of the embedded conduit would result in unnecessary exposure of the secondary circuits to the elements.

IMO Staff Recommendation

IMO Staff recommends granting this exemption with the conditions described above. In reaching this conclusion, IMO Staff recognised that leaving the cabling visibly traceable on the surface of the ground exposes it to degradation due to mechanical damage. In addition, IMO Staff accepted that cable burial is common practice in the electrical power industry.

Conclusion

We agree with the IMO Staff Recommendation and have decided to grant the exemption requested by GLP on the conditions and for the term described herein. Although it is recognized that the exemption will limit, to some degree, the IMO's ability to detect

tampering at the exempted sites, we conclude that the conditions imposed herein will minimize this problem.

We have also accepted the assertion that the burial of secondary cabling is common industry practice in certain situations. In reaching our decision, we have relied on an assurance by IMO Staff that the Hardware Standard will be updated to reflect this reality. It is our understanding that section 7.4.1(k) of the Hardware Standard will be revised in the near future to exclude situations such as the one at hand. Accordingly, we have concluded that granting the exemption is the correct decision.

Glenna Carr Mar. 28/03
Glenna Carr Date

Carl Anderson Mar 28/03
Carl Anderson Date

John Grant Mar 28/03
John Grant Date