

## **DECISION OF THE INDEPENDENT PANEL - Exemption Application No. 01-1191**

**Exemption Application:** Application No. 01-1191 made by Great Lakes Power – Distribution Division. (“GLP”).

**Panel Hearing the Application:** Glenna Carr and John Grant

**Date Application Heard:** December 3, 2004

**Market Rules from which Exemption is Requested:** Initially, GLP sought an exemption from section 7.4.1(d) and (f) of the Wholesale Revenue Metering Standard (the “Standard”), which requires separate transformers for every meter point. The IMO, after its review and analysis of the exemption application, determined that an exemption from 7.4.1(d) and (f) of the Wholesale Revenue Metering Standard was not necessary, but rather an exemption from Chapter 6, subsections 4.1.1 and 4.1.1.3 was required. GLP has agreed with this analysis, and therefore the Panel was asked to reject GLP’s application for an exemption from the Wholesale Revenue Metering Standard and instead to grant an exemption from Chapter 6, subsections 4.1.1 and 4.1.1.3.

**Decision:** GLP is granted an exemption from Chapter 6, subsections 4.1.1 and 4.1.1.3 of the Market Rules on the terms and conditions specified herein.

**Effective Date of the Exemption:** The date the exemption application was received.

**Conditions of the Exemption:** The IMO recommends granting an exemption from Chapter 6, section 4.1.1 and 4.1.1.3 of the Market Rules subject to the following conditions:

1. The voltage transformers (“VTs”) must under all operational configurations accurately reflect the voltage being measured. VTs supplying main meters must be dedicated to that purpose.
2. Meter trouble reports (MTRs) will be issued to GLP for all meter installations supplied by the VTs and all are subject to estimates in accordance with Chapter 6 section 11.1.4A and non-compliance sanctions.

**Term of the Exemption:** The IMO recommends that the exemption be granted for the life of the facility.

**Reconsideration of the Exemption:** N/A.

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

1. the transfer meets applicable terms and conditions set forth in the exemption itself and whether the transfer would affect the ability of the proposed transferee to comply with all of the terms and conditions of the exemption;
2. the proposed transferee is a market participant or undertakes in writing to the IMO to apply for authorization as a market participant; and
3. the extent to which the transfer of the exemption will impact the timely implementation of the plan to become compliant with the exempted obligation (such plan may be the exemption plan, modified as required by the Panel as part of the terms and conditions of the exemption).

**Reasons of the Panel:** In rendering our decision, we have considered GLP's Exemption Application, the IMO Staff Recommendation, the Third Party Submissions received, GLP's comments on the Third Party Submissions, the applicable sections of the Market Rules and the *Exemption Application and Assessment Procedure*.

#### Applicant's Position

The Market Rules require a VT for each and every metering installation, and also that it be used only to supply that particular metering installation (a dedicated VT). The reason for this is to ensure a high degree of reliability and accuracy.

GLP seeks an exemption from the Market Rules on the following basis:

- the costs to comply with the Market Rules are excessive (\$192,000); and
- because there is a limited space available in the substations in which to install the required VTs.

#### IMO Staff Recommendation

After completing its review and analysis of GLP's exemption application, IMO staff determined that although GLP requested exemptions for several meter points, an exemption was only required for the meter installations located at Watson TS.

For Watson TS, rather than strict compliance with the Market Rules, the IMO is recommending that a dedicated VT be used for each group of main meters and that a second set be used for each group of alternate meters, instead of a dedicated VT for each. As a result, each bus would require two sets of VTs (each set comprised of 3 VTs), one set for the main meters and one set for the alternate meters.

IMO Staff recommended granting this exemption with the conditions described above.

#### Conclusion

We agree with the IMO Staff Recommendation and have decided to grant the exemption on the conditions and for the term described herein.

