December 8, 2004

Mr. Berk Gursoy
Senior Tranmission Engineer
Great Lakes Power Limited – Transmission Division
2 Sackville Road
Sault Ste. Marie, Ontario
P6B 6J6

Dear Mr. Gursoy

Third Line TS Tie Breaker - Notification of Approval of Connection Proposal
CAA ID Number: 2004-EX208

Thank you for the detailed information that you provided on the plan to add a new 115 kV tie breaker at Third Line TS.

The IMO has assessed your proposal and concluded not only that the proposed modifications will not have an adverse impact on the reliability of the IMO-controlled grid, but they will also improve the operational flexibility and reliability in the area by creating a three-breaker diameter for No. 2 and No. 3 Algoma 115 kV lines.

The IMO is therefore pleased to grant **conditional approval** for the installation of the new equipment, as described in the attached project description. Any material changes to your proposal may require a re-assessment by the IMO in accordance with Market Manual 2.10, and may nullify your conditional approval.

Final approval will be granted upon successful completion of the IMO Facility Registration process. During facility registration you will be expected to demonstrate that the project you have installed is materially unchanged from the proposal assessed by the IMO. Contact facility.registration@theIMO.com if you have not received a Facility Registration Summary package within the next 10 days.

A copy of the Report will be posted on the IMO web site: www.theimo.com.

To commence the construction process, please follow the necessary procedures and obtain the required approvals, licences and permits as may be required by the OEB and other regulatory authorities.

For further information, please contact the undersigned.

Yours truly,

Bob Gibbons
Manager - Long Term Forecasts & Assessments
Telephone: (905) 855-6482
Fax:(905) 855-6921
E-mail: bob.gibbons@theimo.com

Description of Third Line TS New 115 kV Tie Breaker Project & Single Line Diagrams

1.0 Introduction

This Expedited SIA is for the addition of a new 115kV tie breaker at Third Line TS to create a three-breaker diameter for No.2 and No.3 Algoma 115kV lines. The existing Third Line TS Single Line Diagram (partial) is shown in Figure 1 and the proposed Third Line TS Single Line Diagram is shown in Figure 2.

2.0 Station Reconfiguration

Third Line TS (Figure 2)

The new breaker and associated disconnect switches will be installed within the existing Third Line TS switchyard. The additional equipment will include one 115kV breaker 450 with manual disconnect switches 449 and 451 on each side, two new manual disconnect switches 446 and 456 for existing breakers 445 and 455 and two new motorized line disconnect switches with manual grounds 447, 447-GR, 457 and 457-GR for No.2 and No.3 Algoma 115kV lines. The existing single potential transformers PT4 and PT5 will remain in service.

3.0 Protection System Description

The protections will be modified at Third Line TS to include the new 115kV breaker 450 without change of logic or settings. A breaker failure protection will be installed for the new 450 breaker.

4.0 Control System Description

The breaker (alarms, control and status), line disconnect switches (control and status) and line ground switches (status) will be connected to the existing Third Line TS SCADA system. This will allow GLP to meet the IMO Monitoring Requirements as outlined in the Market Rules Chapter 4 Appendix 4.16

Status to the IMO:

Breaker 450
Line Disconnect Switch 447
Line Disconnect Switch 457

5.0 Customer Impact Assessment (CIA)

The proposed project has no negative impact on the Transmission Customers therefore GLP will not be conducting a Customer Impact Assessment.

6.0 Single Line Diagrams

The following Single Line Diagrams are being provided to show the existing and proposed configurations.

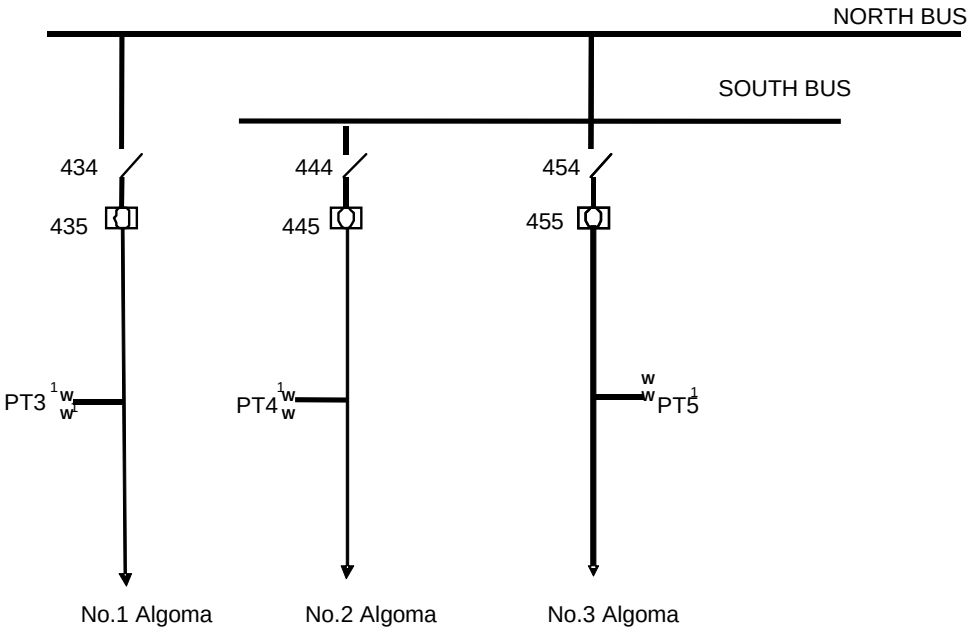

Figure 1 –Existing Single Line Diagram for Third Line T.S. (115kV Partial)

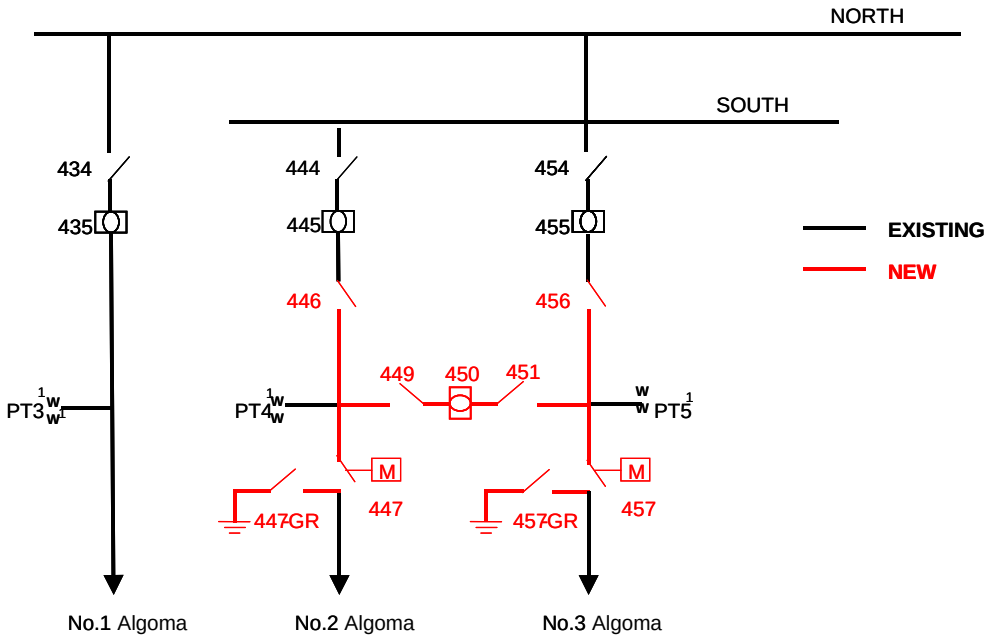

Figure 2 – Proposed Single Line Diagram for Third Line T.S. (115kV Partial)

7.0 Tentative Schedule

The entire project will take approximately three months to complete with the station construction and in service scheduled to be completed by the end of September 2005.

8.0 Preliminary Construction Outage Details

A detailed construction schedule will be developed as part of the in service of the new breaker and associated equipment. The outages will be planned to eliminate or minimize the need for double circuit outages on No.2 and No.3 Algoma 15 kV lines.