

## Revised Proposal for Consolidation of Boundary Entity Resources (BER)

In response to stakeholder requests to simplify the import/export process, the IMO proposes to reduce the number of, and simplify the use of, the Boundary Entity Resources (BER) for intertie transactions. Currently the IMO has a large number of BERs servicing the New York and Michigan interties. Under the proposed simplified approach there would be only one BER set associated with each intertie.

A staged approach will be required to accomplish this change. In the first stage, market participants will be required to use the "MI.LUDINGTON" BER for all trades over the Michigan intertie. If the 40 "MI.LUDINGTON" BERs are not enough, then a participant can use the "MI.STCLAIRX" BER for the overflow. For all trades over the New York interties, the "NY.ROSETON" BER would be used first, and then the "NY.NIAGARAX" BER would be used for any overflow.

For exports from Ontario wheeling through Michigan or New York and into another province (and therefore not GST exempt), the requirement to use the "EC.MARITIMES.SINK" or "WC.PRAIRIERANGES.SINK" BERs remains as before. However, there is no need for the source BERs at each of these points so they will be eliminated.

Similarly, the BER names for the Minnesota and Manitoba interties include Canadian and US sinks, which are required for GST purposes. There is no need for different Canadian and US sources however, because there are no unique tax treatments for imports into Ontario from either Canadian or US jurisdictions. Therefore the "MB.WHITESHELL.US.SOURCE" and "MN.INTFALLS.CAN.SOURCE" BERs are not required.

Also, there are a number of BER names that will have a reduced number of BERs associated with them. These reductions in available BERs are based on the history of use of these to date. These changes are indicated in the table below with a shaded cell in the "# of BERs" column.

The following two tables indicate the available and unavailable BER names for participant use in the first stage and how each BER is to be used:

<b>Available BER Names – 1<sup>st</sup> Stage</b>	<b># of BERs</b>	<b>Use</b>
EC.MARITIMES.SINK	2	Export to Canada via IMO/NYISO intertie
MB.SEVENSISTERS.SINK	2	Export via IMO/Manitoba 115kV intertie
MB.SEVENSISTERS.SOURCE	2	Import via IMO/Manitoba 115kV intertie
MB.WHITESHELL.CAN.SINK	15	Export to Canada via IMO/Manitoba 230kV intertie
MB.WHITESHELL.CAN.SOURCE	15	Import via IMO/Manitoba 230kV intertie
MB.WHITESHELL.US.SINK	5	Export to US via IMO/Manitoba 230kV intertie
MI.LUDINGTON.SINK	40	Export to US via IMO/Michigan intertie – primary
MI.LUDINGTON.SOURCE	40	Import via IMO/Michigan intertie – primary
MI.STCLAIRX.SINK	40	Export to US via IMO/Michigan intertie – secondary
MI.STCLAIRX.SOURCE	40	Import via IMO/Michigan intertie – secondary
MN.INTFALLS.CAN.SINK	5	Export to Canada via IMO/Minnesota intertie
MN.INTFALLS.US.SINK	10	Export to US via IMO/Minnesota intertie
MN.INTFALLS.US.SOURCE	10	Import via IMO/Minnesota intertie
NY.NIAGARAX.SINK	40	Export to US via IMO/NYISO intertie – secondary
NY.NIAGARAX.SOURCE	40	Import via IMO/NYISO intertie – secondary

<b>Available BER Names – 1<sup>st</sup> Stage</b>	<b># of BERs</b>	<b>Use</b>
NY.ROSETON.SINK	40	Export to US via IMO/NYISO intertie – primary
NY.ROSETON.SOURCE	40	Import via IMO/NYISO intertie – primary
PQ.BEAUHARNOIS.SOURCE	20	Import via IMO/Quebec intertie B5D/B31L
PQ.BRYSON.SINK	5	Export via IMO/Quebec intertie X2Y
PQ.BRYSON.SOURCE	5	Import via IMO/Quebec intertie X2Y
PQ.KIPAWA.SINK	5	Export via IMO/Quebec intertie H4Z
PQ.KIPAWA.SOURCE	5	Import via IMO/Quebec intertie H4Z
PQ.MACLAREN.SINK	5	Export via IMO/Quebec intertie D5A
PQ.MACLAREN.SOURCE	5	Import via IMO/Quebec intertie D5A
PQ.MASSON.SINK	5	Export via IMO/Quebec intertie H9A
PQ.MASSON.SOURCE	5	Import via IMO/Quebec intertie H9A
PQ.PAUGAN.SINK	5	Export via IMO/Quebec intertie P33C
PQ.PAUGAN.SOURCE	5	Import via IMO/Quebec intertie P33C
PQ.QUYON.SOURCE	5	Import via IMO/Quebec intertie Q4C
PQ.RAPIDDESISLE.SINK	5	Export via IMO/Quebec intertie D4Z
PQ.RAPIDDESISLE.SOURCE	5	Import via IMO/Quebec intertie D4Z
WC.PRAIRERANGES.SINK	5	Export to Canada via IMO/Michigan intertie

<b>Unavailable BER Names – 1<sup>st</sup> Stage</b>	<b># of BERs</b>
EC.MARITIMES.SOURCE	5
IN.MICHIGANCITY.SINK	10
IN.MICHIGANCITY.SOURCE	10
IN.ROCKPORT.SINK	10
IN.ROCKPORT.SOURCE	10
MB.QUEBEC.US.SINK	1
MB.QUEBEC.US.SOURCE	1
MB.WHITESHELL.US.SOURCE	5
MD.CALVERTCLIFF.SINK	40
MD.CALVERTCLIFF.SOURCE	40
MN.INTFALLS.CAN.SOURCE	5
MN.QUEBEC.US.SINK	1
MN.QUEBEC.US.SOURCE	1
OH.GAVIN.SINK	10
OH.GAVIN.SOURCE	10
PQ.QUEBEC.US.SINK	10
PQ.QUEBEC.US.SOURCE	10
WC.PRAIRERANGES.SOURCE	5

The IMO systems will be updated with this revised BER information at least one week prior to the planned implementation date for stage one of December 10, 2003. Once this is done, participants will not be able to enter bids or offers on any of the unavailable BERs for any trade dates after December 9, 2003.

Participants that have standing bid or offer data in effect for any of the unavailable BERs listed above, will need to re-enter those standing bids/offers prior to 6:00am on the day prior to implementation, using BERs from the available list only. If stage one implementation remains as planned for December 10, 2003, then standing bid/offer data must be adjusted to use only the available BERs before 6:00am on December 9, 2003.

In the second stage, the number of BERs at “MI.LUDINGTON” and “NY.ROSETON” would be increased to 50 from the current 40 and the “MI.STCLAIRX” and “NY.NIAGARAX” BERs would no longer be available. This second stage is planned to be implemented as part of the next planned Baseline and Software Release on March 3, 2004. The following table summarizes the changes to available and unavailable BERs in the second stage:

<b>Available BER Names – 2<sup>nd</sup> Stage</b>	<b># of BERs</b>	<b>Use</b>
MI. LUDINGTON.SINK	50	Export to US via IMO/Michigan intertie
MI. LUDINGTON.SOURCE	50	Import via IMO/Michigan intertie
NY.ROSETON.SINK	50	Export to US via IMO/NYISO intertie
NY.ROSETON.SOURCE	50	Import via IMO/NYISO intertie

<b>Unavailable BER Names – 2<sup>nd</sup> Stage</b>	<b># of BERs</b>
MI. STCLAIRX.SINK	40
MI. STCLAIRX.SOURCE	40
NY.NIAGARAX.SINK	40
NY.NIAGARAX.SOURCE	40

The IMO systems will be updated with this revised BER information at least one week prior to the planned implementation date for stage two of March 3, 2004. Once this is done, participants will not be able to enter bids or offers at “MI.STCLAIRX” or “NY.NIAGARAX” BERs for any trade dates after March 3, 2004.

The same procedure for standing bids or offers as described in stage one will be required for standing bids/offers at the “MI.STCLAIRX” and “NY.NIAGARAX” BERs in stage two. The standing bids/offers must be updated before 6:00am of the day prior to the implementation of stage two.