

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to s. 112.7 of the
Ontario Energy Board Act, 1998

Wesdome Gold Mines

Licence No. EW-2019-0210

May 22, 2020

EB-2020-0141

I. BACKGROUND

Ontario Energy Board (OEB) staff conducted an inspection of Wesdome Gold Mines (Wesdome) pursuant to the OEB's finding, in proceeding EB-2019-0210, that Wesdome had been operating as an electricity wholesaler in Ontario without a licence for a period of approximately 6 and a half years, from March 2013 to October 2019.¹

II. STATEMENT OF FACTS

On August 22, 2019, Wesdome filed an application with the OEB for a new electricity wholesaler licence, pursuant to section 57 of the *Ontario Energy Board Act, 1998* (OEB Act). Together with the application, Wesdome self-reported that it had failed to renew its prior electricity wholesaler licence EW-2008-0004, before it expired on March 24, 2013.

The OEB reviewed the application and, on October 24, 2019, issued a Decision and Order² granting Wesdome a new electricity wholesaler licence (EW-2019-0210). In the Decision and Order, the OEB indicated that Wesdome may still be subject to an OEB compliance proceeding with respect to the contravention. The OEB stated:

The applicant has been previously licensed by the OEB, however neglected to renew its previous electricity wholesaler licence and has been operating without a licence since March 24, 2013. Thus, the applicant contravened section 57 of the OEB Act, and may be subject to an OEB compliance proceeding.

¹ Decision and Order, EB-2019-0210, issued October 24, 2019

² *Ibid.*

Operating in the IESO-administered markets without a licence is a contravention of section 57 of the OEB Act. Section 57(e) of the OEB Act states as follows:

Requirement to hold licence

57 Neither the IESO nor the Smart Metering Entity shall exercise their powers or perform their duties under the Electricity Act, 1998 unless licensed to do so under this Part and no other person shall, unless licensed to do so under this Part, ...

(e) purchase electricity or ancillary services in the IESO-administered markets or directly from a generator;

The OEB stated that the new licence was being granted to Wesdome “without prejudice with regard to any future compliance actions”.

Through its August 22 application filing, and subsequent meetings with OEB staff, Wesdome explained that the failure to secure a renewal of the licence prior to its expiry was an unintentional oversight due to a change in personnel. Wesdome confirmed that, upon discovering the oversight, it took immediate steps to renew the licence and has since updated its internal procedures in order to ensure that this type of contravention does not occur in the future.

II. ASSURANCE OF VOLUNTARY COMPLIANCE

Wesdome hereby assures the OEB that it has taken all appropriate measures to ensure that it will comply with the requirement under section 57 of the OEB Act and that it will further ensure that Wesdome has a licence for the purpose of purchasing electricity or ancillary services in the IESO-administered markets or directly from a generator.

Wesdome also hereby assures the OEB that it will comply with the terms of its electricity wholesaler licence EW-2019-0210, including the obligation under section 8.1 therein to designate a person to act as a primary contact with the OEB on matters related to the licence, and to promptly notify the OEB should the contact details change.

IV. ADMINISTRATIVE MONETARY PENALTY

Wesdome agrees to pay an administrative monetary penalty to the OEB in the amount of \$23,000. Payment will be made by cheque or electronically with notice sent to the Registrar, within two weeks of Wesdome having received notice of the acceptance of this assurance by the OEB.

V. FAILURE TO COMPLY

This Assurance of Voluntary Compliance has the same force and effect as an order of the OEB pursuant to section 112.7(2) of the OEB Act and any failure to comply with its terms shall be deemed to be a breach of an order of the OEB.

VII. EXECUTION OF ASSURANCE

I have the authority to bind Wesdome Gold Mines to the terms set out in this Assurance of Voluntary Compliance.

Name: Scott Gilbert
Title: Chief Financial Officer
Company: Wesdome Gold Mines Ltd.
Signature: *S. Gilbert*

Dated this 22 day of May 2020.