- By Order in Council, all rights, title, interests and liability of Ontario Hydro in the 1962 Agreement were transferred to Ontario Hydro Networks Company Inc., which became Hydro One Networks Inc. as of May 1, 2000. This is documented by the Transfer attached as **Appendix "B"**.

- CNP and Hydro One Networks agreed to terminate the 1962 Agreement and to replace it with a Connection Facilities Agreement for the Operation of the 60 Hz 115 kV Line Connections between Canadian Niagara Power Inc.'s Station 11 and Hydro One Networks Inc.'s Niagara Murray Transformer Station, dated December 19, 2001 (the "2001 Agreement"). It should be noted that the recitals in the 2001 Agreement set out much of the historical background described here. However, the 2001 Agreement contains confidentiality provisions and therefore cannot be disclosed.

- In accordance with section 9.7.6 of the 2001 Agreement, CNP pays to Hydro One an annual rental fee for the use of Hydro One lands, rights-of-way and easements associated with lines A36 and A37 and their connection to Hydro One's Niagara Murray TS.

- Hydro One has confirmed to CNP that as of November 5, 2009 it owns Parts 3 and 4 on Reference Plan 59R-10611 and that OPG owns Parts 1 and 2 on Plan 59R-10611. Hydro One has further confirmed to CNP that in 2002 OPG granted to Hydro One Networks Inc. an easement over Parts 1 and 2.

- It is CNP's understanding that its rights concerning the portion of lines A36 and A37 that crosses over OPG's Niagara TS are based upon CNP's rights under the 2001 Agreement to use Hydro One's easement over Parts 1 and 2 of the above-referenced Plan.

- To the best of CNP's knowledge, until now, the placement of lines A36 and A37 has not raised any potential concerns or issues from the Ontario Hydro-Electric Power Commission of Ontario, Ontario Hydro or either of its successor companies, Hydro One Networks or Ontario Power Generation and none of these parties have ever asserted a contrary right in respect of the placement of these lines.

APPENDIX "A"

The 1962 Agreement

THIS AGREEMENT made in triplicate this 18th day of December A.D. 1962.

BETWEEN:

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO, hereinafter called "the Commission"

OF THE FIRST PART,

-and-

CANADIAN NIAGARA POWER COMPANY, LIMITED, hereinafter called "the Company"

OF THE SECOND PART,

WHEREAS by Agreement dated October 30, 1957 between the Commission and the Company, which Agreement is hereinafter called "the 1957 Power Agreement", the Company contracted with the Commission for a supply of 60-cycle power for distribution by the Company to its customers in the County of Welland, in the Province of Ontario, all as more particularly appears in the 1957 Power Agreement;

AND WHEREAS the 1957 Power Agreement terminated on October 31, 1962;

AND WHEREAS the Company has applied to the Commission for a continuance of the supply of 60-cycle power for the purpose aforesaid, and the Commission acting under The Power Commission Act, R.S.O 1960, Chapter 300, and amendments thereto, is willing to enter into an agreement for the supply

of such power to the Company upon the terms and conditions hereinafter appearing;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, for the considerations herein contained, the parties hereto covenant and agree as follows:

1. THE COMMISSION AGREES:

(a) To deliver to the Company for the purpose hereinbefore recited and under the conditions herein contained, up to 15,000 kilowatts of 60-cycle power, commencing on November 1, 1962, hereinafter called "the Commencement Date", and continuing thereafter while this Agreement remains in force, which amount shall be the maximum amount of 60-cycle power required to be delivered by the Commission to the Company hereunder, provided that if at any time the supply by the Commission of any quantity of power under this clause at the point of delivery hereinafter defined requires the installation of additional supply facilities by the Commission up to that point, then the Commission shall be allowed sufficient time to install such facilities;

1.(b) To deliver the said power at the point of delivery defined as the junction of the Company's 115 kv transmission line and the Commission's facilities for the supply of power to the Company under this Agreement.

2. THE COMPANY AGREES:

(a) At all times to take power from the Commission under this Agreement so that the power factor (that is, the ratio of the kilowatts to the kilovolt-amperes determined simultaneously at the point of measurement) shall not be less than 90%, but if in any month the said power factor is less than 90% during the 10 consecutive minutes in the month when the maximum average demand in kilovolt-amperes is taken,

then for that month the Company will pay to the Commission at the rate of 25¢ per month for each lagging reactive kilovolt-ampere taken in excess of the number of such reactive kilovolt-amperes associated with power taken at a power factor of 90%;

2.(b) To pay to the Commission in monthly payments, as a rental for the use of the Commission's facilities required for the supply of power to the Company hereunder at the frequency and voltage herein specified, a charge at the rate of one mill per kilowatt-hour for the number of kilowatt-hours of power delivered to and taken by the Company in each month;

2.(c) To deliver to the Commission under the conditions and at the points of delivery herein specified, 25-cycle power equal to the amount of 60-cycle power delivered by the Commission to the Company from time to time under this Agreement;

2.(d) To deliver the 25-cycle power to the Commission at the points of delivery defined as the respective interconnections of the circuits of the parties in the vicinity of the Company's Rankine Generating Station, which circuits are now being utilized for delivery of power by the Company to the Commission under the Agreement dated April 1, 1960.

3. Notwithstanding anything hereinbefore contained, it is agreed that if at any one of the times hereinafter mentioned the Commission does not desire to take 25-cycle power from the Company hereunder, then the provisions of paragraph (i), paragraph (ii), paragraph (iii) or paragraph (iv) next-following, whichever paragraph the Commission may elect, shall become operative:

(i) Upon request of the Commission at any time during the continuance of this Agreement, and for such period of time during such continuance as the Commission may specify, the Company will reduce its takings of water from the Niagara

River at its Rankine Generating Station by such amount of water as would enable the Company to produce therefrom, at its said Generating Station, power equal to the amount of 60-cycle power delivered by the Commission to the Company during the said period, it being the intention of this paragraph that the said amount of water may be taken by the Commission during the said period for the production of power at any of its Niagara generating stations;

(ii) Upon request of the Commission at any time during the continuance of this Agreement, and for such period of time during such continuance as the Commission may specify, the Company will procure for delivery to the Commission a supply of 60-cycle power equal to the amount of 60-cycle power delivered by the Commission to the Company during the said period, and for the purposes of this Agreement the power so procured for delivery to the Commission shall be deemed to be supplied by the Company, provided always that the Company shall not be bound to perform its obligations under this paragraph (ii) when it is prevented from so doing by any reason beyond its control;

(iii) Upon notice from the Commission to the Company at any time during the continuance of this Agreement, and for such period of time during such continuance as the Commission may specify in the notice, the power delivered by the Company to the Commission under the said Agreement dated April 1, 1960 shall, up to such amount thereof as is equivalent to the amount of power required to be delivered by the Company to the Commission during that period under preceding clause 2.(c) of this Agreement, be considered as "exchange power", that is to say, it shall be deemed to be the amount of power required to be delivered to the Commission under the said clause 2.(c) during that period. In respect to any month when such exchange power is delivered,

the payment for power for that month under the said Agreement dated April 1, 1960 shall be reduced by a sum determined as follows: the number of kilowatt-hours of exchange power taken by the Commission in the month shall be multiplied by a rate per kilowatt-hour which is equivalent to the then prevailing rate per kilowatt-hour, expressed in mills, for power used at a monthly load factor of 70% under the said Agreement dated April 1, 1960, and the result so obtained shall be the amount by which the said payment for the said month shall be reduced;

(iv) If this Agreement is still in force after the termination of the said Agreement dated April 1, 1960, or any renewal or extension thereof, or any agreement in replacement thereof, and if at any time after such termination the Commission does not desire to take 25-cycle power from the Company under this Agreement as aforesaid, then, for such period of time as the Commission may specify (but for no longer than the remainder of the term of this Agreement) the Company shall pay to the Commission for 60-cycle power supplied under this Agreement at such rates as the Commission may determine.

4. All 60-cycle power procured by the Company for delivery to the Commission under paragraph (ii) of preceding clause 3 shall be delivered at the point of delivery defined as the interconnection of the respective systems of the Commission and Niagara Mohawk Power Corporation in the vicinity of Queenston, or at the point of delivery defined as the interconnection of the said systems in the vicinity of Cornwall, whichever point may be mutually agreed upon from time to time, or the said power shall be delivered in such amount at one of the said points and in such amount at the other as may be so agreed upon.

5. It is mutually recognized by the parties hereto that it would neither be practical nor economical at certain times to obligate the Company to supply, or the Commission to take, the amount of power required to be supplied by the Company to the Commission hereunder, at the same rate of delivery as the 60-cycle power delivered by the Commission to the Company at those times, nor, for the reasons hereinbefore stated, to obligate the Company at certain times to reduce its takings of water from the Niagara River by such quantity as would enable the Company to produce therefrom power at the same rate of delivery as the 60-cycle power delivered by the Commission to the Company at such times;

It is agreed, therefore, that for the purposes of preceding clause 2.(c), paragraph (i) of clause 3 and paragraph (ii) of clause 3, the Commission and the Company, acting through their qualified representatives, will co-operate in formulating such schedules pertaining to the rate of delivery of the amounts of power required to be delivered by the Company to the Commission hereunder, and pertaining also to the operation of the Company's Rankine Generating Station, as may be mutually agreed upon from time to time, and as may be necessary to give effect to the provisions of the said clause and paragraphs, or any of them.

6. It is understood and agreed that the provisions of preceding clause 2.(c) shall not apply to any period when paragraph (i), paragraph (ii), paragraph (iii) or paragraph (iv) of preceding clause 3 is operative, providing that the Company shall have fulfilled all its obligations in respect to the paragraph so operative.

7. It is further understood and agreed that the consideration for the supply of power by either party to the other under this Agreement shall be the performance of such

obligations under this Agreement as apply to the party receiving the power, and that subject to the performance of such obligations, the power supplied hereunder shall be free of cost to the party receiving it, except as provided in preceding clauses 2.(a) and 2.(b), and in paragraph (iv) of preceding clause 3.

8. All power supplied by either party to the other under this Agreement shall be commercially continuous, 24-hour power every day in the year, except as otherwise provided herein, and each party agrees to use at all times first-class, suitable apparatus and plant and to exercise its best endeavours to provide to the other party service in accordance with appropriate commercial standards.

9. In this Agreement, "power" means electrical power and includes energy;

"60-cycle power" means power having a nominal frequency of 60 cycles per second, and "25-cycle power" shall be correspondingly interpreted.

10. All power supplied by either party to the other under this Agreement shall be alternating, three phase power;

All 60-cycle power supplied by the Commission to the Company hereunder shall have a nominal voltage of 115,000 volts. All 25-cycle power supplied by the Company to the Commission hereunder shall have a nominal voltage of 12,000 volts. All 60-cycle power supplied by the Company to the Commission hereunder at the points of delivery firstly and secondly defined in preceding clause 4 shall have a nominal voltage of 230,000 volts and a nominal voltage of 115,000 volts, respectively;

Each party, when it supplies power to the other under this Agreement, will exercise its best endeavours to

limit variations from the nominal frequency or the nominal voltage of the power to tolerable values, but in no event shall that party be liable to the other party for any loss, damage or injury resulting directly or indirectly from variations in the nominal frequency or the nominal voltage of power supplied hereunder.

see S 3 (iii)

11. The Agreement dated April 1, 1960 between the parties hereto for supply of power by the Company to the Commission as therein provided shall be deemed to be amended to the extent necessary to give effect to this Agreement, but otherwise the said Agreement dated April 1, 1960 shall continue in full force and effect according to the terms thereof.

12. Except as otherwise provided herein, this Agreement shall be in force during the period of five years commencing on the Commencement Date, and it shall continue in force thereafter from year to year, but it may be terminated at the end of the said initial period of five years or at the end of any subsequent yearly period by at least 90 days' prior notice in writing from either the Commission or the Company to the other;

Notwithstanding anything hereinbefore contained, it is agreed that in the event of the Company no longer requiring a supply of 60-cycle power from the Commission hereunder, the Company shall have the right to terminate this Agreement at any time by giving to the Commission at least 90 days' prior notice in writing to that effect.

13. Whereas, pursuant to the provisions of the hereinbefore recited 1957 Power Agreement for supply of 60-cycle power by the Commission to the Company, and more particularly the provisions of clause 1 of that Agreement, the Company

owns and maintains the transmission facilities required and used for supply of such power, being a double-circuit 115 kv line, approximately 1.4 miles in length, from the Commission's Niagara Murray Transformer Station to the Company's Rankine Transformer Station in the Township of Stamford, and the Company is maintaining the said facilities on lands of the Commission and on such other rights-of-way as have been procured by the Commission for the Company;

And whereas, for the purposes of this Agreement, it is desirable to declare the respective rights and obligations of the Commission and the Company affecting the said transmission facilities;

Now therefore the Commission and the Company mutually agree as follows:

(a) The Company shall continue to own and maintain the said transmission facilities, subject to the Commission's option to purchase all or any part of the facilities as provided in clause 14 next following;

(b) The Commission will continue to permit the Company, during the continuance of this Agreement, to maintain on the lands of the Commission, free of charge or rent, that portion of the said transmission facilities situate on such lands, subject to the exercise of the Commission's option to purchase as aforesaid;

(c) At such time during the continuance of this Agreement as it deems requisite, the Commission may install in the said 115 kv transmission line of the Company, at or near the Commission's Niagara Murray Transformer Station, line-isolating switching equipment. The cost of providing and maintaining such equipment shall be borne by the Company and paid to the Commission upon the rendering of invoices therefor. Notwithstanding payment of such costs by the Company, the switching equipment shall be owned by the Commission.

14. In consideration of the supply of power by the Commission to the Company hereunder, the Company hereby grants to the Commission the following option:

If at any time during the continuance of this Agreement the Commission requires, for the purposes of its undertaking, the use of all or any part of the 115 kv transmission facilities of the Company hereinbefore referred to, the Commission shall have the option to purchase from the Company the facilities so required. Upon receipt of a written notice from the Commission of its intention to exercise the said option and specifying the facilities so required, the Company will sell those facilities to the Commission at a price equal to the original cost thereof, as determined by the Commission, less depreciation at the rate of 2½% per annum applied to such cost over the period from the date when the facilities were placed in service up to the time of sale. The Company also agrees to assign and transfer to the Commission such rights-of-way or other interests in land as may have been procured by the Commission for the Company and associated with the facilities purchased by the Commission. At the request of the Commission, the Company will execute and deliver to the Commission such conveyances, assignments and other documents as the Commission may deem necessary for the purpose of obtaining a good and sufficient title to the transmission facilities so purchased and the said rights-of-way associated therewith;

In the event that the Commission exercises its said option, the power supplied by the Commission to the Company under this Agreement shall, while the Agreement remains in force, be delivered at the junction of the transmission facilities purchased by the Commission and the Company's facilities for taking such power.

15. In respect to any transmission facilities which, upon

the termination of this Agreement, may then be owned by the Company and located upon the lands of the Commission, and which shall have been utilized by the Company for the purpose of taking power from the Commission under this Agreement, it is agreed that the Commission may, at any time after the termination of this Agreement, give to the Company a written notice requiring the Company to remove such facilities from the said lands of the Commission, and the Company shall, at its own expense, comply with the requirements of such notice within 90 days after the receipt thereof by the Company.

16. Schedule A attached hereto forms part of this Agreement and applies to all power hereunder.

17. As of the Commencement Date specified in clause 1.(a), this Agreement supersedes the 1957 Power Agreement hereinbefore recited.

18. This Agreement shall extend to, be binding upon and enure to the benefit of the successors and assigns of the Commission and the Company, respectively.

IN WITNESS WHEREOF the Commission and the Company have caused this Agreement to be executed by the affixing of their corporate seals attested by the signatures of their proper officers duly authorized in that behalf.

ONTARIO HYDRO
Nov 2 1962
SOLICITOR
Dec 11 1962
ENG.
Dec 14 1962
EXECUTIVE DIRECTOR-MARKETING

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Chairman

Secretary

CANADIAN NIAGARA POWER COMPANY, LIMITED

Vice-President and General Manager.

Assistant Secretary.

APPENDIX "B"

Transfer

P1002214

LRO # 59 **Transfer** **Receipted as SN67055** on 2005 02 18 at 10:16

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd

Properties

PIN 64351 - 0143 LT Estate/Qualifier Fee Simple Lt Conversion Qualified

Description PT BLK 37 & BLK 42 PL 1 EXCEPT PL 141; LTS 8-11 INCL PL 34; LTS 16, 32-36 INCL PL 141; BEING PTS 3 & 4 59R10611 STAMFORD ; NIAGARA FALLS

Address NIAGARA FALLS

Consideration

Consideration $ 0.00

Transferor(s)

The transferor(s) hereby transfers the land to the transferee(s).

Name HER MAJESTY THE QUEEN, IN RIGHT OF ONTARIO AS REPRESENTED BY THE CHAIR OF THE MANAGEMENT BOARD OF CABINET

Address for Service 11th Floor, Ferguson Block
77 Wellesley Street West
Toronto, Ontario
M7A 2G3

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a representative of the Crown.

Transferee(s) *Capacity* *Share*

Name HYDRO ONE NETWORKS INC. Capacity: N/A

Address for Service Real Estate Services
483 Bay Street
North Tower, 15th Floor
Toronto, Ontario
M5G 2P5

Statements

Schedule:

The name for The Hydro-Electric Power Commission of Ontario was changed to Ontario Hydro by virtue of the Power Commission Amendment Act, 1973, proclaimed in force March 4, 1974.

Ontario Hydro Networks Company Inc., now Hydro One Networks Inc., is a person referred to in Section 124 of the Electricity Act, 1998 and is a person from which no consent was required in respect of the transfer in the transfer order, as amended, pursuant to subsection 116(5) of the Electricity Act, 1998.

A fee interest in the above-described lands was transferred unconditionally to Ontario Hydro Networks Company Inc. from Ontario Hydro by or pursuant to a transfer order, as amended, made under the Electricity Act, 1998, which transfer has taken effect.

There were no conditions or other provisions in the transfer order, as amended, that restrict the power or right of Hydro One Networks Inc. to transfer the interest described herein.

The aforegoing statements are statements made pursuant to Section 124 of the Electricity Act, 1998.

The name of Ontario Hydro Networks Company Inc. was changed to Hydro One Networks Inc. as evidenced by Articles of Amendment registered as Instrument No. LT238729.

The following statements are being made by the Transferor and the Transferee herein pursuant to Section 114.2(5) of the Electricity Act, 1998, as amended.

Hydro One Networks Inc., being a subsidiary of Hydro One Inc. is a party to this transfer and is a person referred to in Section 114.13(1) of the Electricity Act, 1998, as amended.

The fee simple interest in the lands described herein was transferred unconditionally as of December 31, 2002 from Hydro One Networks Inc. to Her Majesty the Queen in Right of Ontario as represented by the Chair of the Management Board of Cabinet pursuant to Section 114.2(1) of the Electricity Act, 1998, as amended.

By Order in Council dated May 12, 2004, Her Majesty the Queen in Right of Ontario as represented by the Chair of the Management Board of Cabinet is authorized to transfer back to Hydro One Networks Inc., the fee simple interest of the lands described herein.

LRO # 59 **Transfer** **Receipted as SN67055** on 2005 02 18 at 10:16

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd

Signed By

Deanna Benedict	2 First Canadian Place, 61st Floor, Box 50 Toronto M5X 1B8	acting for Transferor(s)	Signed	2005 02 18
Tel 416-362-2111				
Fax 4168626666				
Deanna Benedict	2 First Canadian Place, 61st Floor, Box 50 Toronto M5X 1B8	acting for Transferee(s)	Signed	2005 02 18
Tel 416-362-2111				
Fax 4168626666				

Submitted By

OSLER, HOSKIN & HARCOURT	2 First Canadian Place, 61st Floor, Box 50 Toronto M5X 1B8	2005 02 18
Tel 416-362-2111		
Fax 4168626666		

Fees/Taxes/Payment

Statutory Registration Fee	$60.00
Land Transfer Tax	$0.00
Total Paid	$60.00

File Number

Transferor Client File Number : 1043526

LAND TRANSFER TAX STATEMENTS

P1002214

In the matter of the conveyance of: 64351 - 0143 PT BLK 37 & BLK 42 PL 1 EXCEPT PL 141; LTS 8-11 INCL PL 34; LTS 16, 32-36 INCL PL 141; BEING PTS 3 & 4 59R10611 STAMFORD ; NIAGARA FALLS

BY: HER MAJESTY THE QUEEN, IN RIGHT OF ONTARIO AS REPRESENTED BY THE CHAIR OF THE MANAGEMENT BOARD OF CABINET

TO: HYDRO ONE NETWORKS INC. Capacity: N/A %(all PINs)

1. MICHAEL SHEEHAN

I am

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☐ (d) The authorized agent or solicitor acting in this transaction for ____ described in paragraph(s) (_) above.
- ☑ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for HYDRO ONE NETWORKS INC. described in paragraph(s) (c) above.
- ☐ (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of _____ who is my spouse described in paragraph (_) and as such, I have personal knowledge of the facts herein deposed to.
- ☐ (g) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of _____ who is my same-sex partner described above in paragraph(s) (_).

3. **The total consideration for this transaction is allocated as follows:**

(a) Monies paid or to be paid in cash	0.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	0.00
(h) VALUE OF ALL CHATTELS - items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	0.00

4.

Explanation for nominal considerations:

s) other: This transaction is exempt from Land Transfer Tax in accordance with Section 114.13(7) of The Electricity Act, 1998 as amended. No consideration is passing directly or indirectly.

PROPERTY Information Record

A. Nature of Instrument: Transfer

LRO 59 Registration No. SN67055 Date: 2005/02/18

B. Property(s): PIN 64351 - 0143 Address NIAGARA FALLS Assessment Roll No -

C. Address for Service: Real Estate Services
483 Bay Street
North Tower, 15th Floor
Toronto, Ontario
M5G 2P5

D. (i) Last Conveyance(s): PIN 64351 - 0143 Registration No. ST10015

(ii) Legal Description for Property Conveyed : Same as in last conveyance? Yes ☑ No ☐ Not known ☐

E. Tax Statements Prepared By: Deanna Benedict
2 First Canadian Place,
61st Floor, Box 50
Toronto M5X 1B8