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June 17, 2013

VIA RESS and Courier

Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Suite 2700
Toronto, ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: Varna Wind Inc. Leave to Construct Application
Board File No. EB-2012-0442
Varna Wind Inc. – Connection and Cost Recovery Agreement ("CCRA")

We are counsel to Varna Wind, Inc. (the "Applicant") in the above-noted proceeding.

Please find enclosed, pursuant to the request of Board Staff in their interrogatories dated February 15, the Applicant's CCRA.

Due to the commercially sensitive information contained the CCRA, redactions have been made in the enclosed copy of the CCRA. A confidential, non-redacted copy is being filed according to the Board's *Practice Direction on Confidential Filings.*

Please contact the undersigned if you have any questions in relation to the foregoing.

Sincerely,

Signed in the original

George Vegh
Enclosure

Generation Facility Connection and Cost Recovery Agreement

between

Varna Wind, Inc.

and

Hydro One Networks Inc.

for

CONNECTION OF A 60 MW GENERATION FACILITY

This Generation Facility Connection and Cost Recovery Agreement made in duplicate as of the [redacted] day of [redacted], 2013

I. Varna Wind, Inc. (the **"Generator Customer"**) has requested and Hydro One Networks Inc. (**"Hydro One"**) is agreeable to performing the work required to connect the Generation Facility to Hydro One's transmission system at the Connection Point on the terms and conditions set forth in this agreement, Schedules "A" – Scope of Work- Work Chargeable to Generator Customer, "B" – Scope of Work- Work Not Chargeable to Generator Customer, "C" - Generator Connection Work, "D" - Estimated Capital Contribution, Payment Schedule and Miscellaneous, "E" – Statement of Engineering and Construction Costs, "F" – Form of Grant of Easement in Gross, "H" - Form of Early Access Agreement and the Standard Terms and Conditions V2012-2 attached hereto (the **"Standard Terms and Conditions"** or **"T&C"**) (collectively, the **"Agreement"**).

II. Each party represents and warrants to the other that:

(a) it is duly incorporated, formed or registered (as applicable) under the laws of its jurisdiction of incorporation, formation or registration (as applicable);
(b) it has all the necessary corporate power, authority and capacity to enter into the Agreement and to perform its obligations hereunder;
(c) the execution, delivery and performance of the Agreement by it has been duly authorized by all necessary corporate and/or governmental and/or other organizational action and does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation, a breach or a default under or give rise to termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) its charter or by-law instruments; (ii) any contracts or instruments to which it is bound; or any laws applicable to it;
(d) any individual executing this Agreement, and any document in connection herewith, on its behalf has been duly authorized by it to execute this Agreement and has the full power and authority to bind it;
(e) the Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with its terms;
(f) it is registered for purposes of Part IX of the *Excise Tax Act* (Canada). The HST registration number for Hydro One is [redacted] and the HST registration number for the Generator Customer is [redacted]; and
(g) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution.

IIIA. Subject to Subsection IIIB below, and provided that:

(a) the Generator Customer executes and delivers this Agreement to Hydro One by no later than [redacted] (the **"Execution Date"**); and
(b) the Generator Customer makes all of the payments specified in Section 2.1 of Schedule "D" of this Agreement by the dates specified therein;

Hydro One agrees to use reasonable efforts to:

(i) ensure that portion of the Hydro One Work is performed such that the Generator Customer's Facilities can be connected to a 115 kV bus section within Hydro One's Seaforth Transformer Station (**"Seaforth TS"**) to feed construction power radially to the Generation Customer Facilities (the **"Backfeed Work)** by [redacted] (the **"Backfeed Date"**); and
(ii) have that part of the Hydro One Work required to be constructed, installed, commissioned and energized in order for the Generator Customer to synchronize the Generator Customer's Facilities to Hydro One's transmission system (the **"Synchronization Work"**) completed by [redacted] (the **"Ready for Service Date"**).

B. Any one or more of the following occurrences may delay the Hydro One Work; and if the Hydro One Work is thereby delayed, the Generator Customer acknowledges and agrees that the Backfeed Date and/or the Ready for Service Date specified in Subsection 3A above may be postponed by Hydro One, and Hydro One shall not be responsible for any losses or damages suffered as a result of any delays associated with any of the forgoing to the extent that the said occurrences delay the Hydro One Work:

(a) the Generator Customer does not fully complete all of the Generator Customer Connection Work (including, but not limited to the Generator Customer's Facilities being fully constructed) in accordance with the terms and conditions of this Agreement and is not ready for commissioning by [redacted];
(b) the Generator Customer not being in compliance with all of its obligations under this Agreement;
(c) Hydro One not being able to obtain outages from the IESO required for any portion of the Hydro One Work when required;
(d) the IESO making any changes to any portion of the Hydro One Work or the scheduling of all or any portion of the Hydro One Work;
(e) Hydro One having to perform a full Class Environmental Assessment via the EA Screen-out process, full class Environmental Assessment or an individual Environmental Assessment in respect of all or a portion of the Hydro One Work;
(f) Hydro One not receiving or obtaining prior to the dates upon which Hydro One requires any or one or more of the following under any Applicable Laws, which it will make commercially reasonable efforts to obtain:
  (i) environmental approvals, permits or certificates;
  (ii) land use permits from the Crown; and
  (iii) building permits and site plan approvals;
(h) Hydro One having to use its employees, agents and contractors performing the Hydro One Work elsewhere on its transmission system or distribution system due to an Emergency (as that term is defined in the Transmission System Code) or an Event of Force Majeure;
(i) Hydro One not being able to obtain materials or equipment required from suppliers in time to meet the project schedule for any portion of the Hydro One Work after making commercially reasonable efforts to obtain same;
(j) the Generator Customer not obtaining, on Hydro One's behalf, all of the easement and other land rights that Hydro One requires the Generator Customer to obtain on Hydro One's behalf in accordance with the terms of this Agreement as identified in Schedule "D" by the dates specified in Schedule "D";
(k) where applicable, Hydro One not receiving Leave to Construct by the Approval Date specified in Schedule "D" of the Agreement;
(l) the Generator Customer not authorizing the expenditure of Premium Costs if Hydro One seeks authorization under Section 14 of the T&C;
(m) intentionally deleted;
(n) intentionally deleted;
(o) intentionally deleted;
(p) intentionally deleted;
(q) intentionally deleted; and
(r) intentionally deleted.

C. Intentionally deleleted.

D. The Generator Customer acknowledges and agrees that the Backfeed Date and the Ready for Service Date may be materially affected by difficulties with obtaining or the inability to obtain all necessary land rights and/or environmental approvals, permits or certificates.

IV. Subject to Section 19 of the T&C, this Agreement shall be in full force and effect and binding on the parties as of the date first written above and shall expire on the In Service Date (the "**Term**"). The obligation to pay any amount due and payable under the terms of this Agreement shall survive the termination of the Agreement.

V. Any written notice required by this Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Hydro One Networks Inc., 483 Bay Street, North Tower, 15th Floor, Toronto, Ontario M5G 2P5, fax (416) 345-6240 on behalf of Hydro One, and to Project Director, c/o NextEra Energy Canada, 390 Bay Street, Suite 1720, Toronto, Ontario, M5H 2Y2, fax number (416)364-2533 on behalf of the Generator Customer. A faxed notice will be deemed to be received on the date of the fax if received before 4 p.m. or on the next Business Day if received after 4 p.m. Notices sent by courier or registered mail shall be deemed to have been received on the date indicated on the delivery receipt. The designation of the person to be so notified or the address of such person may be changed at any time by either party by written notice.

VI. **Acknowledgements re. Appeal of Generator Customer's REA**

INTENTIONALLY DELETED

VII. **Acknowledgements re. Letter Agreement**

Hydro One and the Generator Customer are parties to a Pre-CCRA Letter Agreement for Advance Payment of Engineering Design Work and Procurement of Certain Equipment Prior to Execution of a Generation Facility Connection and Cost Recovery Agreement for the Bluewater Wind Energy Centre Project dated [redacted] (the "**Letter Agreement**"):

(i) pursuant to which the Generator Customer provided an Advance Payment of [redacted] (plus HST in the amount of [redacted] (the "**Advance Payment**") for performance of the Advance Work (as that term is defined in the Letter Agreement) (hereinafter referred to as the "**Letter Agreement Advance Work**"); and

(ii) which required that the scope of the Letter Agreement Advance Work to be performed by Hydro One would be included in the Scope of Work and the cost estimate under this Agreement;

(iii) which required that the Advance Payment be credited against the amounts payable by the Generator Customer under the terms of this Agreement; and

(iv) which provided that the Letter Agreement would be superseded by this Agreement.

VIII. **Security Deposit**

Upon the execution of this Agreement, the Generator Customer shall provide Hydro One with a security deposit in the amount specified in Schedule "D" for the Work Chargeable to Generator Customer (the "**Security Deposit**"). If the Security Deposit is in the form of a Letter of Credit, the letter of credit shall meet all of the following minimum requirements:

(a) is in a form that is satisfactory to Hydro One;
(b) issued by a bank listed in Schedule I of the *Bank Act* (Canada) ("**Bank**");
(c) allows for presentment in Toronto, Ontario;
(d) has a final expiry date not prior to [redacted];
(e) provide that any notice that the Bank does not wish to extend the letter of credit for any additional period of expiry must be provided, in writing, to Treasurer, Hydro One Networks Inc., 483 Bay Street, 8th Floor South Tower, Toronto ON M5G 2P5, at least sixty (60) days prior to any expiration date;
(f) permits partial drawings and multiple presentations;
(g) provides that drawings will be paid on written demand without the issuing Bank enquiring whether Hydro One has a right as between itself and the Generator Customer to make such demand, and without recognizing any claim of the Generator Customer;
(h) only requirement to be met in order to draw on the letter of credit is that Hydro One present the letter of credit and a certificate stating that the amount demanded is payable to Hydro One by the Generator Customer pursuant to

the terms of this Connection Cost Agreement, as it may be amended by the Generator Customer and Hydro One from time to time;

(i) provides that banking charges and commissions associated with the letter of credit are payable by the Generator Customer;

(j) subject to the International Standby Practices "ISP 98" ICC Publication no. 590 ("**ISP 98**");

(k) provide that notwithstanding ISP 98, in the event that the original of the letter of credit is lost, stolen, mutilated or destroyed, the Bank will agree to replace same upon written notice from Hydro One setting out the circumstances;

(l) provides that matters not expressly covered by ISP 98, will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and

(m) any dispute or claim shall be submitted to the exclusive courts within the jurisdiction of the Province of Ontario.

Should the Generator Customer not achieve commercial operation under its agreement with the Ontario Power Authority at least twenty (20) days prior to the date that the letter of credit is set to expire and the Generator Customer has not provided a replacement letter of credit that meets all of the above requirements other than requirement (d) at least 30 days prior to the date that the letter of credit is set to expire, Hydro One shall have the right to draw upon the letter of credit not earlier than 15 days prior to the expiry of the letter of credit and shall treat the amount drawn as a cash deposit in accordance with the requirements of the *Transmission System Code*. For greater certainty, the foregoing right applies under the circumstances where the Generator Customer has not achieved commercial operation under its agreement with the Ontario Power Authority at least twenty (20) days prior to [redacted] and has not provided a replacement letter of credit that meets all of the above requirements other than requirement (d) at least 30 days prior to the date that the letter of credit is set to expire.

IX. **This Agreement**:

(i) subject to Section 30 of the Standard Terms and Conditions, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement, including, but not limited to the Letter Agreement;

(ii) shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein; and

[INTENTIONALLY LEFT BLANK]

(iii) may be executed in counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the signatures of their proper officers, as of the day and year first written above.

HYDRO ONE NETWORKS INC.

Name: Randy J. Church
Title: Manager – Project Development & Oversight
I have the authority to bind the Corporation.

VARNA WIND, INC.

Name: Michael O'Sullivan
[redacted]
I have the authority to bind the Corporation.

Schedule "A": Scope of Work – Work Chargeable to Customer

Hydro One will provide project management, engineering, equipment and materials, construction, commissioning and energization for all work described in this Schedule "A" and pertaining to the Connection of the Generation Facility to Hydro One's transmission system.

The scope of the work is based on the requirements from:

- the IESO's System Impact Assessment (SIA) Report dated December 23, 2011 (CAA ID #2011-440); and
- Hydro One's Customer Impact Assessment (CIA) Report dated December 23, 2011.

Hydro One, or its agents, will supply and install all materials and equipment not specifically described herein that are required or may be necessary to complete the work for the purpose required.

Introduction:

The Generator Customer will construct a 60 MW wind farm in Huron County located in Southwestern Ontario. The Generation Facility (also known as Blake Customer Generation Station – "**Blake CGS**") will consist of 37 General Electric 1.62 MW wind turbine generators (collectively, "**WTGs**" and individually, "**WTG**"). Each WTG will be connected to a 34.5 kV collector feeder through a 690 V/34.5 kV pad-mounted transformer. At Blake CGS, the power will be transformed to 115 kV via one 34.5/115 kV transformer.

The Generator Customer is planning to connect the Generation Facility to the Generator Customer's single 115 kV, 23 km long transmission line which in turn will connect the Generation Facility to a Generator Customer-owned switching station ("**Egmondville CSS**") which will be connected via single tap to Hydro One's Seaforth Transmission Station ("**Seaforth TS**").

Part 1: Lines Engineering

Hydro One will perform the following activities and/or provide the following deliverables associated with Lines Engineering work:

- Provide a new 115 kV line entrance structure at Bay 3 at Seaforth TS to accommodate Generator Customer's 115 kV circuit ingressing the substation from the west;
- Install drop lines from the entrance structure to the line disconnect switch;
- Select the drop lines to be identical to, equivalent to, or higher than Generator Customer-owned conductor consisting of 1272 54/19 ACSR Pheasant conductor and install Hydro One supplied shieldwire.
- Terminate the drop lines on the jaws of the line disconnect switch; and
- Provide insulators, line and bus hardware required for the new 115 kV line entrance structure and connection at Bay 3.

Note: Generator Customer activities/deliverables associated with Lines Engineering work are set out in Schedule "C" of this Agreement.

1.1 General

Specific lines engineering work will cover the following activities/deliverables:

- Design 115 kV 600A continuous line tap between Seaforth TS and Egmondville CSS (about 115 m distance)
- Mid-Span Openers (MSO) at Hydro One/Customer separation point;
- Prepare stringing chart;
- Prepare insulator and hardware drawings (if applicable);
- Order engineering materials;
- Technical support during construction;
- If tapping conductors cross distribution feeders or conductors, Hydro One will ensure that sufficient clearance is maintained; and
- Update records and SAP registrations.

1.2 Assumptions

The specific engineering work will be based upon the following assumptions:

- Access is available
- Easement can be obtained for all overhead tap lines
- Outages are available to complete the work.

Part 2: Station Engineering

2.1 Introduction

The extension of the Generator Customer's 115 kV circuit between Egmondville CSS and Seaforth TS will ingress Seaforth TS Bay 3 from the west and will terminate at a dead-end tower structure located within Seaforth TS.

Hydro One will perform the following activities / provide the following deliverables associated with Station Engineering work:

2.2 Electrical Engineering

2.2.1 115 kV Breakers and Line Terminations

a) Expand Seaforth TS 115 kV switchyard and establish a new 115 kV two-breaker diameter in Bay 3. The new bay shall accommodate two SF6 circuit breakers and associated breaker disconnect switches, concrete footings, steel structures, conductors and insulators, safety grounding, cable trenches, P&C cables, AC station services and grounding grid;
b) The new bus is to have a continuous summer rating of 2000A, including jitney buses and 115 kV line entrances. The symmetrical short-circuit ratings of all new bus and diameter sections are to at least match that of adjacent buswork for symmetrical three-phase and line-to-ground faults;
c) Design strain and rigid station conductors to at least match the short circuit withstand of adjacent buswork at Bay 3;
d) Design new diameter at Bay 3 with strain buses to withstand mechanical effects of up to 35 kA short circuit current for115 kV switchyard;
e) Provide and install all necessary 115 kV buswork, station post insulators for disconnect switches and buswork, suspension insulators and line drops as required;
f) Rate the new 115 kV circuit breakers to at least 2000A dead-tank, SF6, 63 kA symmetrical short-circuit current, 250 VDC, 120/208 VAC, complete with three (3) sets of CT's on each phase bushing of the breaker (two (2) sets for system protection and one (1) set for controls);
g) Equip the new 115 kV breakers with motorised 145 kV disconnect switches and with minimum ratings of 2000A, 550 kV BIL to ground, 650 kV BIL across the gap, 63 kA short-time rating, complete with multi-revolution devices and switch bases;
h) Design ground switches to at least 50 kA symmetrical short-circuit level adequacy;
i) Install three (3) 115 kV CVT's and associated junction boxes;
j) Modify existing buswork as required;
k) Provide and install three (3) 115 kV surge arresters on incoming line from Egmondville CSS
l) Install all necessary structures and foundations;
m) Coordinate design with civil and structural engineering; and
n) Update / revise present stage and ultimate stage basic layout and development diagram drawings.

Notes:

i. Seaforth 115 kV switchyard is presently designed to withstand mechanical effects of maximum 35 kA short-circuit current and as a consequence Bay 3 will be designed to at least match this value;
ii. If the Generator Customer chooses to install an isolating disconnect switch it will locate the motorized 115 kV line disconnect and ground switches for the Generator Customer's 115 kV line at the Generator Customer facilities. Hydro One will neither supply nor cover the installation of these 115 kV switches; and
iii. Hydro One will provide the 115 kV line tap termination while the Generator Customer will provide the 115 kV suspension insulator and hardware for its 115 kV line tap termination.

2.2.2 Cable Trenches

- Design two cable trench systems (for A and B P&C Systems) in Bay 3 with entry to existing P&C building;
- Use existing cable pan and prefabricated cable trench where necessary;
- Provide new cable pan system or extend existing cable pan system in P&C buildings, as required;
- Update / revise cable plan and cable trench drawings affected by new Bay 3;
- Coordinate design of cable trenches with P&C engineering; and
- Prepare bill of materials for new equipments for use in material requisitions

2.2.3 AC Service

- The lengths of LV cables to be taken from Sketch No. 57500-01-AR21644 115 kV Switchyard South, Cable Trenches
- Install six (6) lighting fixtures for disconnect switch lighting c/w 100 m of 2c-#10 awg TECK cable from AC SS Panels AC-11 and AC-12 to the lighting fixures.
- Install 100 m 2c-#10 awg TECK cable from AC SS Panels AC-11 and AC-12 to line exit disconnect switch in the switchyard
- Install two (2) 3ph. 120/208V AC 60A automatic transfer switch for 115 kV circui t breaker.
- Install 2 x 80 m of 4c-#6 awg TECK cable normal and emergency power supply from AC SS Panels AC-11 and AC-12 to 115 kV breaker control cabinet.
- Install one 3ph. 120/208V 60A maintenance receptacle c/w safety disconnect switch on 115 kV breaker support structure.
- Install 80 m 4c-#6 awg TECK cable from AC SS Panels AC-11 or AC-12 to 115 kV breaker maintenance receptacle.

2.2.4 DC Service

- Install two (2) new DC panel boards in the Seaforth control building basement

2.2.5 Grounding

- Conduct grounding and GPR studies;
- Extend station ground grid to Bay 3 and provide ground facilities at each phase of the new disconnect switches and grounding connections;

- Design grounding for new steel structures, equipment, metal cabinets, cable trenches and trays;
- Update / revise station grounding grid drawings; and
- Prepare bill of materials for new equipments for use in material requisitions.

2.3 Civil Engineering

- Prepare Bay 3 providing grading and drainage for land in this bay, carrying out survey and constructing ditches for drainage if required;
- Perform chemical analysis of soil samples on excavated soil for disposal;
- Provide appropriate thickness of top soil/crushed stone in those parts of the 115 kV switchyard disturbed by this project;
- Prepare design packages, reports, "as built" documentation required to obtain construction approvals such as the Engineering Certificate of Authorization in Ontario and operation permits;
- Review equipment manufacturer's drawings;
- Create bill of material and request purchasing of material; and
- Participate in commissioning of civil works.

Notes
i. Excavation is assumed required; and
ii. Sheet piling and de-watering may be required.

2.4 Structural Engineering

- Design station main electrical equipment, physical layout plans, drawings and design briefs for civil and structural design specification documents ;
- Prepare civil and structural specifications for substation above-ground main electrical and ancillary equipment and facilities;
- Prepare civil and structural specifications for below ground services and foundations;
- Provide bus support structures, line terminating structure, CVT and surge arresters supports and foundations to accommodate the new equipment and the Generator Customer's 115 kV line-tap termination;
- Carry out a geotechnical study; and
- Verify civil and structural design and present drawings and reports.

2.5 Environmental Engineering

- Provide all environmental engineering planning, design and construction stage services and ensure that all environmental aspects of this project are in and remain in compliance with all applicable federal, provincial and municipal legislation; and with all Hydro One internal policies, procedures and Hydro One documentation system (HODS); and
- Undertake monitoring by Environmental Technician to ensure compliance of field operations with environmental requirements as identified in Environmental Specifications and other applicable documents.

2.5.1 Assumptions

The specific engineering work will be based upon the following assumptions:

- No drainage work required except for break fix, replacement when necessary.
- No construction required outside of station fence
- Hydro One will not have to perform a full class Environmental Assessment via the EA Screen-out process, a full class Environmental Assessment or an individual Environmental Assessment.
- No natural environmental issues.

Refer to Part 8 of Schedule C for related Generator Customer requirements.

Part 3: Protection & Control Engineering

Hydro One will perform the following activities / provide the following deliverables associated with Protection and Control Engineering work:

- **2 Intelligent Electronic Devices (2 IEDs)** Install new 115kV 'A' and 'B' line protections for the new 60MW generation connection: D60, SEL-421
- **(6 IEDs)** Install new 115kV 'A' and 'B' breaker protections for new added breaker CB5 and CB6: C60, SEL-451+ SEL2506
- Modify existing D and K bus protections to accommodate the new diameter.
- Modify existing T5 and T6 transformer protection to accommodate the new diameter.
- Modify existing 230kV B22D and B23D transfer trip from/to Seaforth TS to accommodate the new diameter.
- Modify the existing 115kV line protections for 61M18 and L7S.
- Modify the existing breaker failure and reclose protections for KT2L18, DT2L18, KT1L7 and DT1L7.

Notes:

i. [redacted]

- [redacted]

ii. Based on the present 115kV station layout, the 115kV station LAN will consist of 4 sets of diameter switches, 3 of which are to be funded under a future release based on sustainment requirements for the existing 2 x line diameters and 1 x bus diameter. An additional set of diameter switches with bay level D25's will be installed to provide the required connectivity of the new protection IED's for this project.

iii. It is expected that the protection IED equipment will be upgraded to 100BFX LAN connectivity, and the Local Control Computer (LCC)/Local Maintenance Computer (LMC) modules will change from 10BFL to 100BFX ports. For compatibility, it is expected that dual ported 10BFL/100BFX switches to be used for this project.

3.1 General

Protection work at Seaforth TS associated with this project includes providing:

- 'A' and 'B' line protection for the line between Seaforth TS and Egmondville CSS.
- 'A' and 'B' breaker protection for the new breakers CB5 and CB6.
- CVT fuses boxes
- 'A' and 'B' DC monitoring cabinets.

Protection work at Egmondville CSS associated with this project includes:

- Review customer HV breaker and line protection drawings,
- Review customer HV breaker and line protection setting,
- Review customer protection description

3.2 Assumptions

The specific protection work will be based upon the following assumptions:

- This estimate is based on the currently approved protection standards and functional requirements.
- The fibers associated with 'A' and 'B' line protection groups have path diversity.
- The station LANs is available to allow alarms and telemetry to be configured DNP.
- Station AC system upgrade job completed.
- The new DC distribution panels are available.
- The sustainment program related to115kV breakers failure protection upgrade is currently scheduled for 2014.

Part 4: Teleprotection Engineering

Hydro One will perform the following activities / provide the following deliverables associated with Teleprotection Engineering work:

- Design main and alternate IMUX configuration for Line Current Differential relay communications between Seaforth TS and Egmondville CSS;
- Provide IMUX shelf at Seaforth TS which will be connected to Egmondville CSS;
- Connect DS-1 signaling schemes and multiplexers arriving at Seaforth TS from Egmondville CSS to support the associated telecommunication equipment used by the Generator Customer; and
- Provide the following system changes including but not limited to:
  - Line protection (e.g. TX/RX channels);
  - LEO (Line End Open)condition (e.g. TX channels from Generator Customer's Egmondville CSS;
  - SCADA (DNP Protocol);
  - Trip alarm (indicating Egmondville CSS initiating the trip);
  - Communication circuit failure(s); and
  - Operating voice communication.

Notes:

i. Dual communication links between Seaforth TS and Egmondville CSS are required to transmit/receive transfer trip signals.

ii. A digital teleprotection scheme is required to communicate current differential protection scheme between Hydro One Seaforth TS and Egmondville CSS;

iii. The communication scheme must support IEEE C37.94 transmission; and

iv. Supporting communication schemes are TDM, dark fibre, and licensed T1 microwave radio schemes or a combination.

4.1 Seaforth TS – Egmondville CSS

- Revise existing Telcom Service Record (TSR) channels;
- Design new Digital Telecom Circuits (DTC drawings);
- Facilitate fibre connection between protection differential relay and fibre patch cord panel (FPPA) at Seaforth TS.
- Design alternate IMUX digital teleprotection channel to Egmondville CSS for line current differential protection;

- Provide alternate channel to carry 'A' and 'B' line current differential relay communication; and
- Provide a port in IMUX for SCADA LAN channel.

4.2 General

The specific engineering work will cover the following activities/deliverables:

- Build and install IMUX shelves on existing racks and equip them with MA621 modules where necessary;
- Route and terminate new fibre patch cords;
- Complete all external wiring connections, i.e. DC, keying cables, SCADA, etc.;
- Commission and test all SONET based channels;
- Perform testing and commissioning and place all teleprotection equipment into service;
- Provide new drawings, revise/approve site drawings;
- Production of associated PRs;
- Provide connection to Telco, alarm points for Hydro One sites
- Provide Field P&C with test and commissioning procedures
- Document test results as in standard P&C – telecom procedures;
- Co-ordinate all telecommunication activities including preparing NOMS (Network Outage Management) and changing request tickets for Hydro One Telecom (HOT) and Hydro One outages; and
- Attend site meetings as required.

4.3 Assumptions

The specific engineering work will be based upon the following assumptions:

i. No generation rejection is required.

Part 5: SCADA/Control Engineering

Hydro One will perform the following activities / provide the following deliverables associated with Control Engineering work:

- Install Bulk Electric System (BES) station LAN at racks BG and BF in the Control Building.
- Remove Annunciation cabinets at panels A, E and AE in the Control Building; re-wire all connections from the annunciation cabinets to the Remote Terminal Unit (RTU) terminal racks.
- Install A & B diameter switches on new racks E and AE in the Control Building to accommodate the new IED connections. The space at rack A will be reserved for future RTU replacement project in late 2013 (or 2014).
- Install A & B diameter D25s on racks E and AE in the Control Building to accommodate all new hard-wired protection points and hard-wired points associated with the new station LAN infrastructure.
- Modify and store all configurations, setting files and Tabulation of Functions (TOF) in Protection & Control Management Information System (PCMIS)

Notes:

i. The present Motorola Datrac11 RTU is scheduled for replacement in late 2013. Racks A, B, C and the two existing cabinet spaces (5 racks in total, side by side) will be reserved for the RTU replacement project

5.1 General

The specific engineering work will cover the following activities/deliverables:

- Install 115kV station LAN consisting of a Main and Alt LAN panel, based on BES production modules. These panels will be installed at Racks BG and BF in the Control Building;
- Install one 115kV Station Event gateway and the LCC/LMC module on Racks BG and BF in the Control Building;
- Remove annunciation panels A, E and AE; re-wire all connections directly to the RTU terminal racks. Rack A will be reserved for future RTU replacement project in late 2013;
- Update drawings to reflect changes to all connections from the annunciation panels;
- Install one set of diameter switches and bay level D25's on racks E and AE to provide connectivity of the new protection IED's for this project;
- Provide monitoring of the new protection fail alarms and tele-protection alarms;
- Create EA/CWD drawings for the LAN infrastructure and the new diameter based on standard BES Production modules;
- Provide Tabulation of functions in conjunction with the new installation and update to the latest naming convention. Store TOF in PCMIS;
- Provide/facilitate update of PCMIS for new and existing Control equipment as well as NMS, LCC, RTU, Station Gateway, Event Gateway and SCADA databases for the new equipment. Store latest configurations in PCMIS;
- Modify station DC 1-Line, Elementary Wiring Diagram (EWD) and Connection Wiring Diagram (CWD);
- Provide hubsite support and Point Verification (PV) Testing; and
- Provide support for field commissioning staff

5.2 Assumptions

The specific engineering work will be based upon the following assumptions:

i. It is expected that the protection IED equipment will be upgraded to 100BFX LAN connectivity, and the LCC/LMC modules will change from 10BFL to 100BFX ports. For compatibility, it is expected that dual ported 10BFL/100BFX switches to be used for this project.
ii. Assume DC supply in the 115kV Control building will be readily available by the time of this project
iii. Field P&C (Station Services) will complete all pre-commissioning activities prior to performing PV Testing with head office and OGCC.

Part 6: Telecommunication Engineering

Hydro One will perform the following activities / provide the following deliverables associated with Telecommunication Engineering work:

- [redacted]
- Install new DYMEC DS1500 at Seaforth TS connecting it to DYMECs at the Egmondville CSS utilizing fractional T1 circuit via IMUX;
- [redacted]
- Route two multimode fibres extending LAN infrastructure to the new IEDs at Seaforth TS; and
- [redacted]
- Specify length of fibre cable during design phase.

6.1 General

The specific engineering work will cover the following activities/deliverables:

- Prepare Design and Installation Package (DIP) that will include two diverse 24 fibre multimode cables extending existing LAN infrastructure to the new IEDs at Seaforth TS. The DIP will contain cable routing, trenching requirements, room layouts and rack configuration. It will also contain the FPPA (Fiber Patch Panel Access) port assignments, splicing, labelling and fibre testing instructions;
- Provide DYMEC's configurations to accommodate new system design;
- Modify Gateway configuration at hubsites to accommodate new system design;
- Test all installed telecom racks as per commissioning test instruction;
- Generate telecom drawings for SCADA circuit;
- Request NOMS Outage, complete telecom documentation and update records and databases (Meridian, XNG and other associated databases)
- Document test results as per standard P&C – telecom procedures;
- Coordinate all relevant field activities including construction, inspection, field testing, commissioning and witnessing when telecom equipments will be placed into service;
- Prepare a DIP for new Security Communication equipment installation and provide assistance to field personnel during Security Communication Equipment configuration;
- Provide new and revised drawings as required;
- Review/approve any field design changes and process FMPs;
- Prepare bill of material and material specifications as required; and

Participate in project meetings including construction site visitations.

6.2 Assumptions

The specific engineering work will be based upon the following assumptions:

i. That there will be adequate spaces at Seaforth TS for additional racks containing new telecommunication equipment;
ii. That all required outages (power equipment and telecom) will be obtained in order to carry out the required scope of work;
iii. That existing battery plant capacities at Seaforth TS are adequate for new communication equipment;
iv. That newly installed SCADA equipment will be located in the same buildings as the existing IMUX Channel banks; and
v. That Hydro One will not be responsible for applying for or obtaining any ESA or other approvals associated with equipment supplied by the Generator Customer. This is the responsibility of the Generator Customer.

Part 7: Field Services

Hydro One will perform the following activities / provide the following deliverables associated with Field Services work:

7.1 Construction and Commissioning Services

- Hold *Commissioning and Transfer of Control* meeting on-site with the commissioning team as per SP0364;
- Complete and provide Grid Operations with the following as part of project commissioning:
  - Commissioning meeting report;
  - *Field Report of Placing Equipment in Service* form;
  - *Transfer of Control of Equipment* form; and
  - Update *C of A system Operating and Maintenance Manual* where applicable;
- Update *Station's Emergency Response Plan* (including associated drainage sketch(s)) and/or *Fire Safety Plan* as appropriate;
- Provide digital picture log of key system component construction/installation;
- component construction/installation;
- Define Outage Plan and arrange for appropriate outages ;
- Provide construction management including removal and installation of all materials and equipment on site;
- Provide Health and Safety requirements to construction staff on site (see Section 7.3.2); and
- Repair any breaks in the existing drainage system.

Assumptions
The specific work will be based upon the following assumptions:

- New drainage pipes are not required in the cable trenches

Notes:
i. The O&M manual must include a complete updated drawing package.
ii. The O&M manual must include original manufacturer manuals, vendor contact and equipment-order information for all installed electrical/mechanical equipments such as pumps, nivotesters, relays, probes, floats;
iii. All nameplate data are to be documented and supplied as part of the O&M manual package; and
iv. Manuals for electrical equipment can be stand-alone documents however they are required to be referenced in the O&M manual

7.2 COVER

Carry out witness verifications (COVER-Confirmation of Verification Evidence Report) at Generator Customer facilities in accordance with Hydro One COVER document;

Notes:
i. Commissioning will be based on typical commissioning procedures and standard transmission line protections, i.e. no communications with remote ends;
ii. Hydro One field staff will not be involved in line protection commissioning of the Generator Customer facilities; and
iii. Hydro One field staff will not test the Generator Customer's telecom equipment rack back-to-back with Hydro One's equipment at Seaforth TS.

7.3 Quality Control

7.3.1 Applicable Standards, Codes, Guidelines

- Execute all works in accordance with the applicable standards as per the scope described in this Schedule A.

Note:
i. Auditing and monitoring may occur on all projects by various parties, both internal and external, to ensure that work is being carried out as designed and as mandated by the design.

7.3.2 Health and Safety Requirements

- Use current versions of the following documents or procedures:
  i. Occupational Health and Safety Act ("**OHSA**");
  ii. Hydro One Corporate Safety Rules & Regulations;
  iii. Engineering Services Health & Safety Program;
  iv. All Applicable Laws;
  v. Field Job Planning folders to be used for each site prior to commencement of work; and
  vi. Pre-job safety meetings prior to commencement of work to identify safety hazards.

- Ensure that all personnel and visitors to Hydro One construction sites must wear the following personal protective clothing:
  - Currently approved hard hat;
  - Category 2 fire-rated Flame Resistant outer clothing meeting or exceeding ASTM 1506-02 (includes hard hat liner and safety vests)
  - Safety shoes with green patch and dielectric rating;
  - Safety glasses; and
  - Other applicable protective equipment as required for specific tasks.

Note:
i. All visitors to construction site and subcontractors working on site(s) must have completed the safety/site orientation training and must sign in on the Construction Visitor Board immediately upon arrival at the site.

7.4 Power Outages

- Assist Construction in defining the Outage Plan and arranging for outages required for station work.

7.5 Station Soil Conditions

- Assume that rock excavation and trenching will be required; and
- Assume that sheet piling and de-watering may be required.

7.6 Spill Management

- Ensure spill risks and appropriate spill management measures are considered as part of this project in accordance with Hydro One standards.

7.7 Underground Facilities

- Assume that there are no other underground facilities such as utility feeders or gas pipelines which would affect the proposed construction.

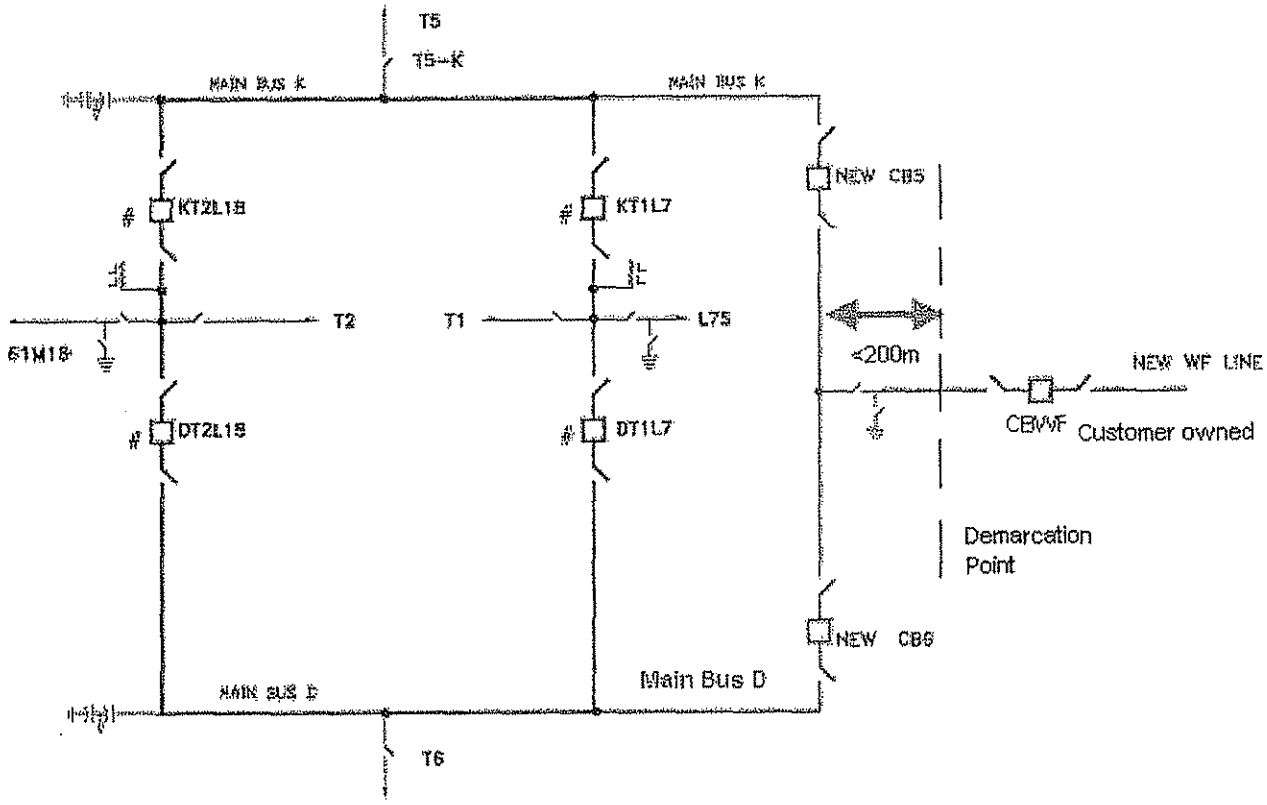
7.8 Clarifications

- The Hydro One Work does not address any joint use of pole line facilities agreement and associated land leases, road allowance occupation permits or easement arrangements that the Generator Customer and Hydro One may enter into before, during or after construction of the Generator Customer's Facilities.

7.9 Real Estate

- Determine availability, risk or concerns of property or easements required to connect the Generator Customer's Facilities to Seaforth TS; and
- Review existing easement, ownership or other land use rights and determine negotiations or changes in agreements that may be required for the connection of Generator Customer's Facilities to Seaforth TS.

Figure 1. New 115kV bus Arrangement at Seaforth TS



Schedule "B": Scope of Work – Work Not Chargeable to Customer

None.

Schedule "C": Generator Customer Connection Work
Part 1: General Project Requirements:

The Generator Customer will:

(a) enter into a Connection Agreement with Hydro One or where applicable, amend its existing Connection Agreement with Hydro One at least 14 days prior to the first Connection;
(b) ensure that project data is provided to Hydro One in accordance with Subsection 10(c) of the T&C;
(c) install metering facilities in accordance with the Market Rules;
(d) provide a dedicated communication circuit for remote access to the metering equipment in accordance with the Market Rules;
(e) provide a dedicated telephone line for direct communication between Hydro One's Ontario Grid Control Centre (**"Hydro One OGCC"**) operator and the Generation Facility control room operator (the real time contact to be listed in the Connection Agreement can be a toll free (1-800...) phone number which should go directly to the Generator Customer's real time contact and not an automated teleprompt/voice recording as it may require an immediate response from the Generator Customer) and will provide round-the-clock monitoring and control of the Generator Customer's facilities;
(f) ensure that the work to be performed by the Generator Customer required for successful installation, testing and commissioning of protective, teleprotection, telecommunication and metering equipment is completed as required to enable Hydro One COVER verification to confirm satisfactory performance of such systems;
(g) satisfy all other requirements specific to the Connection.

Part 2: Line tap

The Generator Customer shall:

- On behalf of Hydro One, procure conductor, and MSOs (the **"Line Tap Materials"**) required to be installed by Hydro One between Seaforth TS and Egmondville CSS as part of the new line tap with warrantees that are transferable to Hydro One of at least 1 year for replacement free of charge as well as a warrantee for at least 10 years of equipment support. Such warrantees and the Line Tap Materials are to be delivered to Seaforth TS by no later than [redacted]

Part 3: Teleprotection at the Generation Facility

The Generator Customer will provide teleprotection for Seaforth TS based on the following design considerations:

- Carry out all teleprotection engineering work including designing, programming, assembling and commissioning teleprotection equipment at Egmondville CSS;
- Carry out telecom path study, link design, and licenses application;
- Provide a port in IMUX for SCADA LAN channel; and
- Provide analogue teleprotection schemes for direct transfer trips and breaker statuses between Seaforth TS and Egmondville CSS. Communication will be over the protective relays through auxiliary contacts.

Part 4: Station Engineering

The Generator Customer shall perform the following activities / provide the following deliverables associated with Station Engineering work:

- Ensure that all new 115 kV equipments are capable of operating continuously between 108 kV and 127 kV in accordance with the Market Rules;
- Provide environmental services during the construction of the new 115 kV line termination at Seaforth TS ensuring full compliance with all Applicable Laws;
- Provide site survey consisting of clearance and land grading to ensure a level base for construction work and access road for the MSO's;
- Provide ground-grid calculation report of the new switching station with the Generator Customer's disconnect switch and metering equipment).

4.1 Grounding

- The Generator Customer shall design and construct the grounding system for the Generation Facility including the disconnect switch site to meet the requirements of the *Electrical Safety Code* (Ontario) and the requirements set out in the Connection Agreement without relying on Hydro One's grounding system.

Notes:
- Generator Customer is responsible for future upgrades to its ground grid in accordance with paragraph 24.3 of the Connection Agreement.
- Hydro One will only permit the Generator Customer's grounding system to be connected

to Hydro One's grounding system if the Generator Customer's grounding system meets the ESA's GPR requirements on a stand-alone basis without the need to connect to Hydro One's grounding system.

Part 5: SCADA RTU

The Generator Customer shall:

- Provide SCADA RTU functionality to meet Hydro One configuration and communications protocol and to comply with IESO technical and performance requirements.
- Provide a port and a modem to transmit to Hydro One the required telemetry quantities. The modem and protocol details will be to Hydro One's requirements.

Note: An ICCP link between the Generator Customer's control centre in Florida and OGCC is an acceptable option to Hydro One. Should the Generator Customer decide to implement an ICCP link, detailed design and Hydro One requirements will be determined during the project engineering phase.

Part 6: Telecommunications

The Generator Customer shall:

- Provide communications cable entrance facility and cable protection at the Generation Facility.
- provide a dedicated buried 48F single-mode (SM) fibre cable from their facility to outside of the property line at Seaforth TS.
- Provide circuit routing.
- Provide sufficient length of fibre cable, to be specified by Hydro One during design phase.

Part 7: Revenue Metering

The Generator Customer shall:

- Provide a revenue metering system in accordance with the Market Rules.

Part 8: Requirements - Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records

Intentionally deleted.

Part 9: Real Estate

The Generator Customer shall obtain the land rights described in Section 3.8 of Schedule "D" on Hydro One's behalf in accordance with the requirements of this Agreement, including, but not limited to Section 17 of the T&C.

Part 10: Documentation

The Generator Customer shall have provided Hydro One with the following Connection Interface Documents for review by Hydro One in the Implementation Connection phase:

Group A:

- IESO application-for information only.
- Single-line drawings showing ratings of all electrical equipment, such as disconnect switches, bushing potential devices, CVTs, power transformers, grounding transformers, grounding resistors, breakers, etc.
- GPR study and associated station ground design.
- Entrance structure (electrical & structural)
- General arrangement of the Generation Facility

Group B:

- DC station service 1 line showing ratings of all electrical equipment such as batteries, chargers, etc.
- Information on switchgear fault ratings
- HV surge arrestor specification
- RTU configuration/communications protocol
- Teleprotection AC and DC EWD including information on proposed vendor equipment
- Line protection AC and DC EWD
- Transformer protection, AC and DC EWD
- Disconnect switch or HV breaker AC and DC EWD
- LV breaker (transformer & bus tie breakers) AC and DC EWD
- Breaker failure (transformer & bus tie breakers) AC and DC EWD
- HV equipment operating and protection philosophy

Group C:

- Power transformer and generator nameplate ratings
- Relay settings including relay logic diagrams, coordination studies and fault calculations.
- Commissioning procedure

Group D:

- If applicable, preliminary and final generator data, including excitation system performance, automatic voltage regulator (AVR), power factor regulator, power system stabilizer, static exciter and speed governor to ensure compliance with all applicable reliability standards required under the Market Rules.

- Generator absorption / deliverance of VARs from/to Hydro One system to maintain the Generation Facility terminal voltage to a given set point.

Part 11: Technical Requirements for Wind Farm Operation and Control

As the Generation Facility is a wind farm greater than 10 MVA, the Generator Customer shall comply with the requirements given below and forming a part hereof.

11.1 Remote Controller

- The Generator Customer is not required to have a permanently manned Control Room, but may, for example, operate the Generation Facility from a Remote Controller using a computer link. The Remote Controller must be permanently manned 24 hours a day, seven days a week.
- If the Remote Controller is more than 2 km from the Generation Facility, secure communications shall be provided between the Remote Controller and the Generation Facility.

11.2 Operational Control

The Generator Customer is responsible for safe operation of the Generation Facility in accordance with the requirements of the Transmission System Code and the Market Rules.

a) Ride-Through Capabilities

To comply with Chapter 4, Appendix 4.2, Item 7 of the Market Rules, the Generator Customer is required to provide the ability to ride-through voltage, power swings and frequency events caused by power system disturbances outside of the Generation Facility. This is to ensure that generation does not trip for faults remote from Hydro One Facilities into which they feed. However it will trip for all faults on a radial connection to the Generation Facility without any attempt at reclosing.

b) Start-Up Sequences

The General Electric 1.6 MW wind turbine generators consume reactive power (Var) from the IESO-Controlled Grid (as that term is defined in the *Electricity Act, 1998*) during starting or re-starting the Generation Facility after a shut-down due to zero wind or high wind speeds. The start-up sequence should be staggered with a separation of at least 1.5 seconds between start-ups, or limited to a maximum step-voltage change of 3% separated by at least 70 seconds from a similar step. For a minimum step-voltage change of 0.4 %, for instance, the time interval could be reduced to 1 second between steps.

The voltage step limit will apply in all cases except the disconnection of the Generation Facility as the result of a fault.

c) Shut-Down Sequences

With regards to shutting down the Generation Facility, except for electrical faults on the Hydro One Facilities or due to generation rejection, no more than 25% of the registered capacity of the Generation Facility may be tripped simultaneously.

d) Disconnection

If the wind speed increases above a pre-determined upper limit, the wind turbine generator will be disconnected and the turbine will stop with blades pitched to approximately 90 deg. The wind turbine controller usually waits until the wind speed has decreased below this limit and then starts up again.

In the event that the Generation Facility gets disconnected from the IESO-Controlled Grid, even momentarily, it is required that the return or reconnection of the Generation Facility to the IESO-Controlled Grid should not be made without prior approval from IESO/OGCC operator. This mode of operation applies whenever the Generation Facility is disconnected from the IESO-Controlled Grid.

11.3 Reactive Power

The Generator Customer shall meet the reactive power requirements of the IESO's System Impact Assessment which could include installing switched shunt capacitors to compensate for reactive power consumption on wind turbine generators, step-up transformers and distributed feeders.

- The Generator Customer shall install capacitor bank(s) at or as close as possible to the Connection Point, if applicable.
- Capacitor bank(s) shall be sized to ensure that voltage declines/rises at the Connection Point on switching operations will be less than the 4% limit specified in Reference 1 of Appendix 4.4 of the Market Rules, and
- Capacitor bank(s) dispatches are to be based on a pre-set voltage at the Connection Point under all generating conditions.

11.4 Frequency Control

The IESO-Controlled Grid operates at 60 Hz and is normally maintained within ± 0.5 Hz.

- The Generation Facility must be capable of continuously supplying its rated active power output (given sufficient wind speed) at the wind turbine generating unit terminals within the system frequency range of 59.5 Hz to 60.5 Hz. The Generator Customer shall set the frequency control in accordance with the requirements of NPCC document A-3, Table I
- The Generation Facility is required to trip if the system frequency is outside the range of 57 Hz to 62 Hz to ensure that the New or Modified Generating Facility does not remain connected to an unstable island system. The Generation Facility should be tripped within 1 second; and
- Power should be reduced at a minimum rate of 2% of the Generation Facility output per 0.1 Hz deviation of system frequency above 60.4 Hz. No additional wind turbines may be started while the frequency is above 60.4 Hz.

11.5 Power Quality

The Generator Customer shall comply with industry standards and guidelines for power quality including, but not limited to, the following:

- Flicker limits are as defined in IEC 61000-3-7, "*Assessment of Emission limits for Fluctuating Loads in MV and HV Power Systems*", 1996
- Harmonic limits are as defined in IEEE Standard 519-1992, "*Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems*"
- Voltage unbalance is not to exceed 3% calculated using the following formula:

$$\text{Unbalance (\%)} = \frac{100 \times (\text{deviation from average})}{\text{Average}}$$

11.6 Dynamic Performance Tests

Dynamic performance tests shall be performed once all of the wind turbine generators are fully in service. The objectives of the dynamic performance tests are to demonstrate that the performance of the wind turbines meets Hydro One requirement confirming that the wind turbine data and simulation models provided by the Generator Customer to Hydro One for studies and analyses are a true and accurate copy of the original generator data.

The following dynamic performance tests shall be carried out by Hydro One with participation from the Generator Customer and/or their consultants:

i. tests to verify that the Generation Facility is capable of operating within the 0.90 lag to 0.95 lead power factor ranges;
ii. tests to verify that the speed of response of the Generation Facility's control system to ensure that it meets the requirements of the Market Rules, particularly the "inertia emulation control" function within the wind farm control system;
iii. tests to verify the Generation Facility is capable of remaining synchronized to Hydro One's transmission system following voltage step changes due to capacitor, reactor and/or static Var compensator switching; and
iv. tests to verify that the voltage and current total harmonic distortions (THD) from measured waveform data comply with industry standards and guidelines for power quality.

In the event that all or any one or more of the results of the above-referenced tests show that the performance of the wind turbines do not meet one or more of Hydro One's requirements, the Generator Customer acknowledges and agrees that it may have to update and/or upgrade its Generation Facility and/or its Generator Customer's Facilities at its own expense should Hydro One require same within a time period acceptable to Hydro One.

11.7 Connection Agreement Requirements

The terms in this Part 11 of this Schedule "C" shall also be terms of the Connection Agreement.

Schedule "D": Estimated Capital Contribution, Payment Schedule and Miscellaneous

Description of Project:

The Connection of the Generator Customer's Facilities and/or the Generation Facility to Hydro One's transmission system at the Connection Point, and includes any modifications to Network Facilities required for the said Connection.

Part 1: Estimated Capital Contribution

The Estimated Capital Contribution (excluding Taxes) is based on a release quality estimate which generally has a degree of accuracy of plus or minus twenty percent.
The Estimated Capital Contribution (excluding Taxes) is [redacted] (excluding applicable Taxes) and is summarized as follows:

Project Description:	**Estimated Capital Contribution for Work Chargeable to Generator Customer**
Project Management	[redacted]
Engineering	
Equipment & Materials	
Construction	
Other Costs (Commissioning)	
Contingency	
AFUDC* & Overheads	
Total	

(*) AFUDC = Allowance for Funds Used During Construction and is the term used in the OEB accounting procedures meaning interest during construction.

Notes:

1. Amount paid for the cost estimate of the Hydro One Work performed by Hydro One is not included in the Estimated Capital Contribution, but is included in the Cost Estimate Agreement dated [redacted] made between the Generator Customer and Hydro One.
2. Overheads are included in the Estimated Capital Contribution.
3. The estimated amount for contingencies includes, but is not limited to amounts associated with any planned outage delays/cancellations and subsequent equipment commissioning as well as Generator Customer Initiated Scope Changes. Any contingencies in excess of this amount will be recovered from the Generator Customer in accordance with the terms of the Agreement.
4. Capital interest is included in the Estimated Capital Contribution.
5. HST on materials is not included in the Estimated Capital Contribution,
6. Taxes are not included in the Estimated Capital Contribution.
7. The Estimated Capital Contribution does not include any amounts associated with the cost of land, easements, and other land rights to be obtained by Hydro One from third parties or from the Generator Customer for any part of the Work Chargeable to Generator Customer. The actual cost of obtaining the land and those easements and other land rights will be reflected in the actual Capital Contribution required for the Work Chargeable to Generator Customer and any Additional or Modified Work Chargeable to Generator Customer (plus applicable Taxes).
8. The Estimated Capital Contribution does not include the estimated cost of any equipment to be procured by the Generator Customer on Hydro One's behalf under the terms of this Agreement.
9. The Estimated Capital Contribution includes the estimated cost of the items set out in paragraphs 12.1(a) and 12.1(b) of the T&C, and it does not include the estimate of the Engineering and Construction Cost of any tests that may be performed under Section 4 of the T&C.

Part 2: Terms and Conditions

2.1 Manner of Payment of the Estimated Capital Contribution

The Generator Customer shall pay the Estimated Capital Contribution by making the following payments (plus applicable Taxes) to Hydro One on or before the payment date indicated below:

No.	Payment Date	Amount ($)	Amount Paid (%)
1	[redacted]		
2			
3			
4			

Note: Hydro One acknowledges receipt of Payment No. 1.

The Parties agree that the payment schedule above may be amended, from time to time and if mutually agreeable, to reflect the actual cash flow expended by Hydro One to reduce, as much as possible, the application of AFUDC by Hydro One.

2.2 Scope Change

See Section 2.1 of the Standard Terms and Conditions.

Part 3: Miscellaneous

3.1 Connection Point

The Generation Facility will be connected through the Generator Customer-owned 115 kV transmission line and 115 kV switching station also known as Egmondville CSS to a 115 kV bus section within Hydro One's Seaforth TS.

3.2 Generation Facility

- The Generation Facility will consist of a total of 37 GE 1.62 MW Wind Turbine Generators (WTGs) rated 1.62 MW each. It will be located in Zurich, Huron County, Ontario. Each WTG will be connected to a 34.5 kV collector feeder through a 690 V/34.5 kV pad-mounted transformer. There will be three (3) collector feeders in total: two(2) with 12 WTGs and one (1) with 13 WTGs. Each feeder will be connected to a 34.5 kVbus via a circuit breaker at the 115 kV collector substation. At the collector station, the 34.5 kV bus will be connected to a 34.5 kV/115 kV step-up transformer through a circuit breaker.
- The Generator Customer represents and warrants to Hydro One that:
  - the number of generating units in service at the Generation Facility will have a total generating capacity not exceeding 60 MW;
  - the Generation Facility will be able to provide reactive power in the range of 0.9 lagging to 0.95 leading power factor at the Connection Point for at least one constant 115 kV voltage;
  - the Generation Facility will not trip for contingencies except for faults for which the Generation Facility will be removed by configuration. This would require the Generation Facility to have adequate (as specified in the IESO's SIA) low voltage ride-though (LVRT) capability to remain connected;
  - the Generator Customer has ensured that the Generation Facility can operate in synchronism with the 115 kV transmission facilities at Seaforth TS;
  - the Generation Facility will not be connected to any other of Hydro One's transmission facilities except to 115 kV Seaforth TS bus;
  - the Generation Facility generators will trip only as required for contingencies within the generator zone of protection and will not trip for faults outside of the generator zone of protection;
  - where applicable, the special protection system facilities installed at the Generating Facility comply with the Northeast Power Coordinating Council (NPCC) Special Protection System Criteria for Type 1 special protection systems.

3.3 Generator Customer's Facilities

The Generator Customer Facilities commence at the Generator Customer's disconnect switch at the Egmondville CSS and terminate at the Generation Facility on a dedicated circuit breaker and a motorized line disconnect switch.

3.4 Hydro One's Assets:[1]

All equipment and facilities installed by Hydro One as part of the Hydro One Work in, under, on, over, along, upon, through and crossing Hydro One's Property(ies) including, but not limited to the Line Tap Materials procured by the Generator Customer on behalf of Hydro One under the terms of this Agreement to be installed by Hydro One between Egmondville CSS and Seaforth TS.

3.5 Documentation Required:[2]

Documentation describing the as-built electrical characteristics of the Generator Customer's Facilities and the Generation Facility shall include, but is not limited to, a detailed single line drawing showing electrical parameters and characteristics of the Generator Customer's Facilities and the Generation Facility and step up transformer(s), AC and DC protection elementary diagrams, and relay types and setting sheets.

3.6 Miscellaneous:

Approval Date (IIIB(k) of Agreement): N/A

[1] Cross-reference Section 8 of T&C

[2] Cross-reference Sub-section 11(d) of T&C

Exceptional Circumstances - Network Construction or Modifications:[3] None

Capital Contribution Includes Cost of Capacity Not Required by Generator Customer:[4] No
Event of Default[5]**:**

3.7 Security Requirements[6]

Security Requirements: [redacted]

Security Date: On Execution

3.8 Easements and Other Land Rights[7]

Easement(s) in Gross Required: Yes

Easement in Gross Lands: PART OF PT LT 6 CON 1 HURON ROAD SURVEY TUCKERSMITH AS IN R146196 N OF RAILWAY; S/T TC12216, TC12529; MUNICIPALITY OF HURON EAST BEING PIN 41297-0021 (LT)

Easement in Gross Term: two terms of 21 years less 1 day.

Easement in Gross Date: No later than 60 days prior to the Backfeed Date

Access Easement(s) Required: No

Access Easement Lands: N/A
Access Easement Term: N/A
Access Easement Date: N/A

Easement Required for an Access Road for a Term Beyond 21 Years: No

Early Access Agreement(s) Required: Yes

Early Access Lands: PART OF PT LT 6 CON 1 HURON ROAD SURVEY TUCKERSMITH AS IN R146196 N OF RAILWAY; S/T TC12216, TC12529; MUNICIPALITY OF HURON EAST BEING PIN 41297-0021 (LT)
Early Access Execution Date: [redacted]

Title to Lands Required: No

Lands to be Acquired for Hydro One: N/A
Closing Date: N/A

Work Chargeable to Customer on Crown (MNR) Lands: No
Date Work Permit/Letter of Consent Required: N/A

Pipeline and/or Railway Company Approvals Required: No

Affected Pipeline/Railway Companies: N/A
Railway/Pipeline Approval Date: N/A

Consultations with Third Party Encumberancers Required: No

Unopened Road Allowance: No

Unopened Road Allowance Lands: N/A
Municipal Confirmation Date: N/A

[3] Cross-reference Section 12.3 of T&C
[4] Cross-reference Section 12.4 of T&C
[5] Cross-reference Section 18 of T&C
[6] Cross-reference Section 16 of T&C
[7] Cross-reference Section 17 of T&C

Schedule "E": Statement of Engineering and Construction Costs

Project Investment No.				
Ready for service date				
Project Title				
Project Description				
Material	$ (see Note 1)			
Construction	$			
Engineering	$			
Overhead/ Interest	$			
Total Cost K$	$			

Note 1:

This Statement of Engineering and Construction Costs will be provided to the Generator Customer with the final invoice or credit memorandum delivered in accordance with Section 12.1 of the Standard Terms and Conditions.

Schedule "F" – Form of Grant of Easement in Gross

GRANT OF EASEMENT IN GROSS

A. [redacted] (the "**Transferor**") is the owner in fee simple and in possession of PT LT 6 CON 1 HURON ROAD SURVEY TUCKERSMITH AS IN R146196 N OF RAILWAY; S/T TC12216, TC12529; MUNICIPALITY OF HURON EAST BEING PIN 41297-0021 (LT) (the "**Lands**").

B. Hydro One Networks Inc. (the "**Transferee**") has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) in, through, under, over, across, and along and upon the Lands.

IN CONSIDERATION of the payment of FIVE DOLLARS ($5.00) paid by the Transferee to the Transferor, mutual covenants hereinafter set forth and other good and valuable consideration, the Transferor and Transferee hereto agree as follows:

1 The Transferor hereby grants and conveys to the Transferee, its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges for a term of twenty-one (21) years less one (1) day from and including the date of registration of this Grant of Easement (the "Term") (the "**Rights**") in, through, under, over across, along and upon that portion of the Lands of the Transferor being Part of Lot 6, Concession 1 former Township of Tuckersmith now in the Municipality of Huron East shown as Parts • & •, on Reference Plan •R-•••• (the "Strip") for the following purposes:

(a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip and electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the (**"Works"**) as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.

(b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.

(c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.

(d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.

(e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the **"obstruction"** whether above or below ground, including removal of any

materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.

(f) To enter on and exit by the Transferor's access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.

(g) To remove, relocate and reconstruct the line on or under the Strip.

2 The Transferor agrees that:

(a) It will not interfere with any Works established on or in the Strip and shall not, without the Transferee's consent in writing erect or cause to be erected or permit in, under or upon the strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee's consent in writing, change or permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the **"Installation"**) or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorised interference aforesaid or contravention of this paragraph, or if any authorised interference, obstruction or Installation is not maintained in accordance with the Transferee's instructions or in the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction , Installation or contravention complained of from the Strip, without being liable for any damages cause thereby.

(b) Notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.

(c) No other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.

(d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.

(e) The Rights hereby granted:

(i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip; and

(ii) is declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a).

3. The Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.

4. Unless the Transferee advises the Transferor upon 60 days' prior written notice, the Term shall be automatically renewed for an additional term of twenty-one (21) years less one (1) day upon the same terms and conditions save for the right of renewal.

5. There are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.

6. No waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

7. The burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

8. The Transferee declares, pursuant to Section 50(3)(d) of the *Planning Act*, R.S.O. 1990 c. P.13 that the Rights are being acquired, for the purpose of an electricity distribution line or an electricity transmission line within the meaning of Part VI of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B.

[NOTE – IF TRANSFEROR ARE INDIVIDUALS ADD THE FOLLOWING CLAUSE AS #9

9. The Transferor represents that, except to the extent such consent has been obtained, spousal consent to this transaction is not necessary and upon registration of this Grant of Easement will not be necessary under the provisions of the *Family Law Act*, R.S.O. 1990 c.F.3

IN WITNESS WHEREOF the parties hereto have executed this Grant of Easement.

Signed by the Transferee this day of , 2013.

HYDRO ONE NETWORKS INC.

Per:_____
Name:
Position:

I have authority to bind the Corporation.

Signed by the Transferor this day of , 2013.

[redacted]

Per:_____
Name:
Position:

Per:_____
Name:
Position:

We/I have authority to bind the Corporation

CHARGEES

THE CHARGEE of land described in a Charge/Mortgage of Land dated _____

Between _____ and _____

and registered as Instrument Number _____ on _____ does

hereby consent to this Easement and releases and discharges the rights and easement herein from the said

Charge/Mortgage of Land.

Name:	Signature(s)	Date of Signatures Y M D

Per: _____

Per: _____

I/We have authority to bind the Corporation

Schedule "H": Form of Early Access Agreement

FORM 3 – USED FOR CONNECTION TAP EASEMENT LANDS

THIS AGREEMENT made in duplicate the day of 2013

BETWEEN:

HYDRO ONE NETWORKS INC (hereinafter called the "HONI") OF THE FIRST PART

and

[redacted] (hereinafter called the "Owner") OF THE SECOND PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as PT LT 6 CON 1 HURON ROAD SURVEY TUCKERSMITH AS IN R146196 N OF RAILWAY; S/T TC12216, TC12529; MUNICIPALITY OF HURON EAST BEING PIN 41297-0021 (LT) (the "Lands").

2. HONI will be constructing new Electrical Transmission Facilities on a portion of the Lands shown highlighted in red on Schedule "A" attached hereto.

3. The Owner is agreeable in allowing HONI to enter onto the Lands to construct its facilities in accordance with the Drawing subject to the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the lump sum of FIVE Dollars ($5.00) now paid by each party to the other and the respective covenants and agreements of the parties hereinafter contained (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), the parties hereto agree as follows:

1. HONI agrees that it will enter into, with the Owner, (i) an easement agreement, on HONI's standard form, with respect to the Works located on the portion of the Lands as shown hatched and highlighted in red on the attached Schedule "A" (the "Easement") within a reasonable period of time following execution by the parties of this Agreement.

2. The Owner hereby grants to HONI the right to enter upon the Lands for the purpose of commencing construction of the works, as of the date this Agreement is executed by both parties.

3. HONI agrees that it shall take all reasonable care in its construction practices.

4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Lands shall be at the sole risk of HONI and the Owner shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Owner.

5. HONI agrees that it shall indemnify and save harmless the Owner from and against all claims, demands, costs, damages, expenses and liabilities (collectively the "Costs") whatsoever arising out of HONI's presence on the Lands or of its activities on or in connection with the Lands arising out of the permission granted herein except to the extent any of such Costs arise out of the negligence or willful misconduct of the Owner.

6. This Agreement and the permission granted herein shall automatically terminate upon the registration of the Easement.

7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.

8. Any amendments, modification or supplement to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with same degree of formality as the execution of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the hands of their duly authorized signing officers in that regard.

Dated this Day of , 2013

WITNESS:

[redacted]

Per:

Signature: _____

Name:

Name:

Title:

I have authority to bind the Company

HYDRO ONE NETWORKS INC.

Per: _____

Name:

Title:

I have authority to bind the Company

Schedule "A"

INSERT SKETCH

1. **Definitions:**

Throughout the Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words shall have the following meanings:

"Additional or Modified Work Chargeable to Customer" means any work to be performed by Hydro One beyond the Work Chargeable to Customer described in Schedule "A" of the Agreement due to Generator Customer initiated scope changes or Non-Customer Initiated Scope Change(s) or the IESO, and any work that is increased beyond the Work Chargeable to Customer described in Schedule "A" of the Agreement as a result of delays or other actions caused by or requested by the Generator Customer.

"Applicable Laws", means any and all applicable laws, including environmental laws, statutes, codes, licensing requirements, treaties, directives, rules, regulations, protocols, policies, by-laws, orders, injunctions, rulings, awards, judgments or decrees or any requirement or decision or agreement with or by any government or governmental department, commission, board.

"Business Day" means a day other than a Saturday, Sunday, statutory holiday in Ontario, Easter Monday or any other day on which the principal chartered banks located in the City of Toronto, are not open for business during normal banking hours.

"Capital Contribution" means a capital contribution calculated using the economic evaluation methodology set out in Section 6.5 of the *Transmission System Code.*

"Confidential Information" means:

(i) the terms of the Agreement and the operations and dealings under the Agreement;
(ii) all information disclosed by a party to the other party under the Agreement or in negotiating the Agreement which by its nature is confidential to the party disclosing the information; and
(iii) all interpretative reports or other data generated by a party that are based in whole or in part on information that is made Confidential Information by clauses (i) and (ii).

"Connect" and "Connection" have the same meaning ascribed to the term "connect" in the Transmission System Code.

"Connection Agreement" means the form of connection agreement appended to the Transmission System Code as Appendix 1, Version B

"Connection Facilities" has the meaning set forth in the Transmission System Code.

"Connection Point" means the point where the Generator Customer's Facilities are connected to Hydro One's transmission system.

"Consultations" means the consultations with provincial and federal government agencies, First Nations and Métis communities, other communities and local residents performed by the Generator Customer in respect of its REA process;

"Dispute" means a dispute between the Parties with respect to any of the matters listed in Section 6.1.4 of the *Transmission System Code* where either Party is alleging that the other is seeking to impose a term that is inconsistent or contrary to the *Ontario Energy Board Act*, the *Electricity Act, 1998*, Hydro One's transmission licence or the *Transmission System Code* or refusing to include a term or condition that is required to give effect to the Code.

"*Electricity Act*, 1998" means the *Electricity Act, 1998* being Schedule "A" of the *Energy Competition Act*, S.O. *1998*, c.15, as amended.

"Emergency" has the meaning set forth in the Transmission System Code.

"Engineering and Construction Cost" means Hydro One's charge for equipment, labour and materials at Hydro One's standard rates plus Hydro One's standard overheads as well as interest during construction using Hydro One's capitalization rate in effect during the construction period.

"Environmental and Archaeological Studies" means stage I and/or stage II archaeological studies and environmental baseline studies which includes information on vegetation, wildlife habitat, local land and resource uses, aquatic features (e.g. creeks, ponds, wetlands etc.), local fish and wildlife information, rare and endangered species and species at risk etc.

"Generator Customer Allocated Network Work" means the construction of or modifications to Network Facilities to be performed by Hydro One that are minimum connection requirements.

"Generator Connection Work" means the work to be performed by the Generator Customer, at its sole expense, which is described in Schedule "C" of the Agreement.

"Generator Customer's Facilities" has the meaning ascribed to the term "customer's facilities" in the Transmission System Code and includes the facilities specified in Schedule "D" of the Agreement.

"Generation Facility" means the facility described in Schedule "D" of the Agreement.

"Generator Customer's Property(ies)" means any lands owned by the Generator Customer in fee simple.

"Good Utility Practice" has the meaning set forth in the Transmission System Code.

"HST" means the Harmonized Sales Tax.

"Hydro One's Property(ies)" means any lands owned by Hydro One in fee simple or where Hydro One now or hereafter has obtained easement rights.

"Hydro One Work" means collectively, the Work Chargeable to Generator Customer and the Work Not Chargeable to the Generator Customer.

"IESO" means the Independent Electricity System Operator continued under the *Electricity Act, 1998*.

"In Service Date" has the same meaning ascribed to the term "come into service" in the *Transmission System Code*.

"Interest" means the interest rates specified by the Ontario Energy Board to be applicable to security deposits in the form of cash as specified in Subsection 6.3.11(b) in the *Transmission System Code*.

"Leave to Construct" means leave to construct pursuant to Section 92 of the *Ontario Energy Board Act, 1998*.

"Market Rules" means the IESO administered Market Rules, including, but not limited to Chapter 6 thereof.

"Network Facilities" has the meaning set forth in the *Transmission System Code*.

"Non-Customer Initiated Scope Change(s)" means one or more changes that are required to be made to the Scope of the Hydro One Work as detailed and documented in the Agreement as a result of any one or more of the following:

(a) environmental assessment(s) and REA processes;
(b) where applicable, as a result of the approval received under Section 92 of the *Ontario Energy Board Act;* and
(c) IESO requirements identified in the System Impact Assessment or any update thereof.

"Non-Recoverable Connection Work" means any work that Hydro One is performing at a connection facility that has been triggered by the Connection of the Generation Facility but because the Connection of the Generation Facility did not cause the ground fault current levels to exceed the limits prescribed in Appendix 2 of the *Transmission System Code*, no Capital Contribution will be payable in respect thereof.

"Notifications" means the Generation Proponent's REA notifications.

"OEB" means the Ontario Energy Board.

"OEB-Approved Connection Procedures" means Hydro One's connection procedures as approved by the OEB.

"Ontario Energy Board Act" means the *Ontario Energy Board Act* being Schedule "B" of the *Energy Competition Act*, S.O. *1998*, c. 15, as amended.

"Premium Costs" means those costs incurred by Hydro One in order to maintain or advance the Ready for Service Date, including, but not limited to, additional amounts expended for materials or services due to short time-frame for delivery; and the difference between having Hydro One's employees, agents and contractors perform work on overtime as opposed to during normal business hours.

"Ready for Service Date" means the date that the Hydro One Work is fully completed.

"REA" means the Renewable Energy Approval to be obtained by the Generator Customer under Section 47.5 of the *Environmental Protection Act* (Ontario).

"Record of Consultations" means the Generation Proponent's record of Consultations which record should include names, dates and points of discussion.

"Taxes" means all property, municipal, sales, use, value added, goods and services, harmonized and any other non-recoverable taxes and other similar charges (other than taxes imposed upon income, payroll or capital).

"Transmission System Code" means the code of standards and requirements issued by the OEB on June 10, 2010, as it may be amended, revised or replaced in whole or in part from time to time.

"Work Chargeable to Generator Customer" means the work to be performed by Hydro One described in Schedule "A" of the Agreement which includes, but is not limited to the Generator Customer Allocated Network Work described therein.

"Work Not Chargeable to Generator Customer" means the work described in Scheduled "B" attached hereto and forming a part hereof which includes:

(a) the construction of or modifications to Hydro One's facilities, including but not limited to Network Facilities that is required to be performed by Hydro One, at its expense, to

accommodate the Connection of the Generation Facility; and
(b) the Non-Recoverable Connection Work.

Hydro One Work and Generator Connection Work

2. Hydro One shall perform the Hydro One Work and the Generator Customer shall perform the Generator Connection Work in a manner consistent with Good Utility Practice, in compliance with all Applicable Laws, including, but not limited to the Transmission System Code, and using duly qualified and experienced people.

2.1 Any change in the Project Scope for the Hydro One Work as described in this Agreement whether they are initiated by the Generator Customer or are Non-Customer Initiated Scope Changes, may result in a change to the Estimated Capital Contribution specified in Schedule "D" of this Agreement and the Project schedule, including the Ready for Service Date.

All scope changes initiated by the Generator Customer must be made in writing to Hydro One. Hydro One will advise the Generator Customer of any cost and schedule impacts of the scope changes initiated by the Generator Customer. Hydro One will advise the Customer of any Material cost and/or Material schedule impacts of any Non-Customer Initiated Scope Changes.

Hydro One will not implement any scope changes initiated by the Generator Customer until written approval has been received from the Generator Customer accepting the new pricing and schedule impact.

Hydro One will implement all Non-Customer Initiated Scope Change(s) until the estimate of the Engineering and Construction Cost of all of the Non-Customer Initiated Scope Change(s) made by Hydro One reaches 10% of the total sum of the Estimated Capital Contribution. At that point, no further Non-Customer Initiated Scope Change(s) may be made by Hydro One without the written consent of the Customer accepting new pricing and schedule impact. If the Customer does not accept the new pricing and schedule impact, Hydro One will not be responsible for any delay in the Ready for Service Date as a consequence thereof.

3. If Hydro One requires access to the Generator Customer's Facilities for the purposes of performing any of the Hydro One Work or the Generator Customer requires access to Hydro One's Connection Facilities for the purposes of the Generator Connection Work, the parties agree that the parties agree that Section 27.13 of the Connection Agreement shall govern such access and is hereby incorporated in their entirety by reference into, and forms an integral part of the Agreement. All references to "this Agreement" in Section 27.13 shall be deemed to be a reference to the Agreement.

4. Hydro One shall cooperate with the Generator Customer to ensure that modeling data that may be required for the planning, design and operation of the Connection are complete and accurate. Hydro One may conduct, or may require that the Generator Customer conduct such tests as may be required where Hydro One believes on reasonable grounds that the accuracy of the modeling data that may be required for the planning, design and operation of the Connection is in question. If Hydro One performs the tests:

(a) the tests shall be conducted at a time that is mutually agreeable to Hydro One and the Generator Customer; and
(b) Hydro One shall promptly report the results of such tests to the Generator Customer.

5. Except as provided herein, Hydro One makes no warranties, express or implied, and Hydro One disclaims any warranty implied by law, including implied warranties of merchantability or fitness for a particular purpose and implied warranties of custom or usage with respect to the Hydro One Work.

6. Hydro One shall provide the Generator Customer with such technical parameters as may be required to assist the Generator Customer in ensuring that the design of the Generator Customer's Facilities is consistent with the requirements applicable to Hydro One's transmission system and the basic general performance standards for facilities set out in the *Transmission System Code*, including Appendix 2 thereof.

7. The Hydro One Work and Hydro One's rights and requirements hereunder, including, but not limited to Hydro One's:

(i) specifications of the protection equipment on the Generator Customer's side of the Connection Point;
(ii) review and acceptance of power system components on the Generator Customer's side of the Connection Point;
(iii) acceptance of the technical specifications (including electrical drawings) for the Generator Customer's Facilities; and
(iv) participation in the commissioning, inspection and testing of the Generator Customer's Connection Facilities,

are solely for the purpose of Hydro One ensuring that the Connection will not materially reduce or adversely affect the reliability of Hydro One's transmission system and do not adversely affect other customers connected to Hydro One's transmission system. The Generator Customer is responsible for installing equipment and facilities such as protection and control

equipment to protect its own property, including, but not limited to the Generator Customer's Facilities.

8. Upon completion of the Hydro One Work, Hydro One shall own, operate and maintain all equipment specified in Schedule "D" of the Agreement as Hydro One's Assets and the Generator Customer shall have no right of property therein.

Generator's Obligations – Connection

9. Except as specifically provided in the Agreement, the Generator Customer is responsible for obtaining, at its own expense, any and all permits, certificates, reviews and approvals required under any Applicable Laws for the construction, Connection and operation of the Generator Customer's Facilities.

10. The Generator acknowledges and agrees that:

(a) it shall provide, operate and maintain all power system components on the Generator Customer's side of the Connection Point, including, without limitation, all transformation, switching, metering and auxiliary equipment such as protection and control equipment;
(b) all of the power system components referred to in Subsection (a) above are subject to the acceptance of Hydro One with regard to Hydro One's requirements to permit Connection; and
(c) it shall provide Hydro One with Project data required by Hydro One, including, but not limited to (i) the same technical information that the Generator Customer provided the IESO during any connection assessment and facility registration process associated with the Generator Customer's Facilities in the form outlined in the applicable sections of the IESO's public website and (ii) technical specifications (including electrical drawings) for the Generator Customer's Facilities;
(d) Hydro One may participate in the commissioning, inspection or testing of the Generator Customer's Connection Facilities at a time that is mutually agreed by Hydro One and the Generator Customer;
(e) Hydro One is not permitted to Connect any new, modified or replaced Generator Customer's Facilities until all required Connection authorizations, certificate of inspection or other applicable approval have been issued or given by the Ontario Electrical Safety Authority in relation to such facilities; and
(f) Hydro One may require that the Generator Customer provide Hydro One with test certificates certifying that the Generator Customer's Facilities have passed all relevant tests and comply with the *Transmission System Code*, the Market Rules, Good Utility Practice, the standards of all applicable reliability organizations and any Applicable Laws, including, but not limited to any certificates of inspection that may be required by the Ontario Electrical Safety Authority.

11. Upon completion of the Hydro One Work, the Generator Customer acknowledges and agrees that the Generator Customer is responsible for providing, at its own expense:

(a) separate telecommunication circuits for generation rejection scheme, metering, SCADA, and transfer tripping/blocking requirements for so long as the Generator Customer's Facilities remain connected to Hydro One's transmission system;
(b) where Hydro One has equipment for automatic reclosing of circuit breakers after an interruption for the purpose of improving the continuity of feeder connection, adequate protective equipment for the Generator Customer's Facilities and the Generation Facility that might be adversely affected by the operation of such reclosing equipment;
(c) such equipment as may be required from time to time by Hydro One for the prompt disconnection of any of the Generator Customer's apparatus that might negatively affect the proper functioning of Hydro One's reclosing equipment; and
(d) Hydro One with copies of the documentation specified in Schedule "D", acceptable to Hydro One, by no later than 60 days after the In Service Date and ensure that Hydro One may retain this information for Hydro One's ongoing planning, system design, and operating reviews.

This Section 11 shall survive the termination of the Agreement. In the event that there is a conflict between the terms of this Section 11 and the terms of the Connection Agreement, the terms of the Connection Agreement shall govern.

Capital Contributions and Payment of Other Costs

12.1 The Generator Customer shall pay Hydro One a Capital Contribution for the Work Chargeable to Generator Customer and any Additional or Modified Work Chargeable to Generator Customer which includes:

(a) the fully allocated cost of the minimum design required to meet the Generator Customer's needs attributed in accordance with the requirements of Section 6.3.12, 6.3.14 or 6.3.16 of the *Transmission System Code* as applicable;
(b) the capital cost of equipment installed on Hydro One's Connection Facilities to monitor the performance of the Generation Facility and for verification testing of fault protection equipment associated with the Generation Facility; and
(c) if the Generator Customer elects, in writing, to have verification testing costs included in the economic evaluation rather than pay such costs on an "as incurred basis" over time, Hydro One shall also include the present value of the estimated cost

of doing periodic verification testing of its monitoring and testing equipment and, if necessary, of similar equipment.

The Generator Customer shall pay the estimate of the Capital Contribution required for the Work Chargeable to Generator Customer which is estimated to be the amount specified in Schedule "D" of the Agreement ("Estimated Capital Contribution") (plus applicable Taxes) in the manner specified in Schedule "D".

Within 180 days after the later of the Ready for Service Date and the completion of Hydro One's witnessing of the commissioning, inspection or testing of the Generator Customer's Connection Facilities, Hydro One shall provide the Generator Customer with a final invoice or credit memorandum which shall indicate whether the amounts already paid by the Generator Customer exceed or are less than the actual Capital Contribution required for the Work Chargeable to Generator Customer and any Additional or Modified Work Chargeable to Generator Customer (plus applicable Taxes) Any difference shall be paid within 30 days after the rendering of the said final invoice or credit memorandum by Hydro One to the Generator Customer.

In addition to the final invoice or credit memorandum, Hydro One shall also provide the Generator Customer with a Statement of Engineering and Construction Costs in the form attached to the Agreement as Schedule "E".

12.2 Hydro One shall not include the following amounts in the Capital Contribution referenced in Section 12.1 above:

(i) costs associated with incremental operation and maintenance of its monitoring and testing equipment;
(ii) any Capital Contribution for a Connection Facility that was otherwise planned by Hydro One except for advancement costs;
(iii) any Capital Contribution for capacity added to a Connection Facility in anticipation of future load growth not attributable to the Generator Customer; or
(iv) any Capital Contribution for construction or modifications to Network Facilities other than Generator Customer Allocated Network Work (**"Network Facilities Work"**) unless Hydro One has indicated in Schedule "D" of the Agreement that exceptional circumstances exist so as to reasonably require the Generator Customer to make a Capital Contribution for network construction or modifications.

12.3 If Hydro One indicates in Schedule "D" of the Agreement that exceptional circumstances exist so as to reasonably require the Generator Customer to make a Capital Contribution towards the Network Facilities Work, Hydro One shall not, without the prior written consent of the Generator Customer, refuse to commence or diligently perform the Network Facilities Work pending direction from the OEB under section 6.3.5 of the *Transmission System Code* provided that the Generator Customer provides Hydro One with a security deposit in accordance with Section 16 of these Standard Terms and Conditions.

Until such time as Hydro One has actually begun to perform the Network Facilities Work, the Generator Customer may request, in writing, that Hydro One not perform the Network Facilities Work and Hydro One shall promptly return to the Generator Customer any remaining security deposit related to the Network Facilities Work.

12.4 If the Generator Customer has made a Capital Contribution under Section 12.1 hereof and where this Capital Contribution includes the cost of capacity on the Connection Facility not needed by the Generator Customer as indicated in Schedule "D" of the Agreement, Hydro One shall provide the Generator Customer with a refund, calculated in accordance with Section 6.2.25 of the *Transmission System Code* if that capacity is assigned to another customer within five (5) years of the In Service Date.

12.5 The Generator Customer shall pay the Engineering and Construction Cost reasonably incurred by Hydro One in:

(a) participating in the commissioning, inspection or testing of the Generation Customer's Connection Facilities; and
(b) conducting the tests described in Section 4 above, if Hydro One conducts such tests.

The Engineering and Construction Cost (plus Taxes) of Hydro One participating in the commissioning, inspection or testing of the Generator Customer's Connection Facilities and of Hydro One performing the tests described in Subsection 4 above, if any, is estimated to be the amount specified in Schedule "D" of the Agreement under the heading "Estimate of Other Costs" and the Customer shall pay Hydro One that amount in the manner specified in Schedule "D" of the Agreement.

Any difference between the Engineering and Construction Cost of Hydro One participating in the commissioning, inspection or testing of the Customer's Connection Facilities and of Hydro One performing the tests described in Subsection 4 above, if any, and the amount already paid by the Customer shall be paid within 30 days after the issuance of the final invoice or credit memorandum by Hydro One to the Generator Customer by:

(i) Hydro One to the Customer, if the amount already paid by the Customer exceeds the Engineering and Construction Cost of such work (plus Taxes); or
(ii) the Customer to Hydro One, if the amount already paid by the Customer is less than the Engineering and Construction Cost of such work (plus Taxes).

If the commissioning, inspection or testing or the tests described in Section 4 above is required to be rescheduled at the request of Hydro One or by reason of Hydro One's failure to attend, Hydro One shall, if so requested by the Generator Customer, pay all reasonable costs incurred by the Generator Customer in respect of the rescheduling of the commissioning, inspection or testing activity. If commissioning, inspection or testing or the tests described in Section 4 above are required to be rescheduled at the request of the Generator Customer or by reason of the Generator Customer's failure to attend, Hydro One may recover from the Generator Customer all reasonable costs incurred by Hydro One in respect of the rescheduling of the commissioning, inspection or testing activity.

12.6 Hydro One shall provide the Generator Customer with all information pertaining to the Capital Contributions that the Generator Customer is entitled to receive in accordance with the requirements of the *Transmission System Code*.

12.7 Hydro One shall refund to the Customer or the Customer shall pay to Hydro One any portion of Capital Contributions, as the case may be, which the OEB subsequently determines should not have been allocated to the Customer or should have been allocated to the Customer by Hydro One but were not, as the case may be, or should have been allocated in a manner different from that allocated by Hydro One in this Agreement.

12.8 Subject to Sections 12.3 and 13 hereof, Hydro One shall perform all Work Not Chargeable to Generator Customer at Hydro One's sole expense.

Cancellation or Early Termination of Agreement for Breach

13. Notwithstanding any other term of the Agreement, if at any time prior to the In-Service Date the Connection is cancelled or the Agreement is terminated for any reason whatsoever other than breach of the Agreement by Hydro One, the Generator Customer shall pay Hydro One's Engineering and Construction Cost (plus Taxes) of the Hydro One Work incurred on and prior to the date that the Connection is cancelled or the Agreement is terminated, including the preliminary design costs and all costs associated with the winding up of the Project (as that term is defined in the Agreement), including, but not limited to storage costs, facility removal expenses and any environmental remediation costs.

Within 60 days after the Connection is cancelled, or the Agreement is terminated, Hydro One shall provide the Generator Customer with a final invoice or credit memorandum which shall indicate whether the amounts already paid by the Generator Customer exceeds or is less than the Engineering and Construction Costs referred to above.

Premium Costs

14. As this Project is schedule-driven and as the Estimated Capital Contribution is based upon normal timelines for delivery of material and performance of work, in addition to the amounts that the Generator Customer is required to pay pursuant to Section 12.1 above, the Generator Customer agrees to pay Hydro One's Premium Costs if the Generator Customer causes or contributes to any delays, including, but not limited to, the Generator Customer failing to execute the Agreement by the Execution Date specified in Part II(a) of the Agreement.

Hydro One will obtain the Generator Customer's approval prior to Hydro One authorizing the purchase of materials or the performance of work that will attract Premium Costs. The Generator acknowledges that its failure to approve an expenditure of Premium Costs within the time specified by Hydro One, acting reasonably, may result in further delays and Hydro One will not be liable to the Generator Customer as a result thereof. Hydro One shall invoice the Generator Customer for expenditures of Premium Costs (plus applicable Taxes) approved by the Generator Customer by no later than 90 days following the later of the In-service Date and the completion of Hydro One's witnessing of the Generator Customer's Connection Facilities.

Disposition of the Generation Facility and/or Generator Customer's Facilities

15. In the event that the Generator Customer sells, leases or otherwise transfers or disposes of all or part of the Generator Customer's Facilities and/or the Generation Facility, to a third party during the Term of the Agreement, the Generator Customer shall cause the purchaser, lessee or other third party to enter into an assumption agreement with Hydro One to assume all of the Generator Customer's obligations in the Agreement; and notwithstanding such assumption agreement, the Generator Customer shall remain obligated to pay the amounts thereafter payable hereunder by the purchaser, lessee or other third party in the case of a transfer or disposition.

Security Requirements

16. If Hydro One requires that the Generator Customer furnish security, which at the Generator Customer's option may be in the form of cash, letter of credit or surety bond, the Generator Customer shall

furnish such security in the amount specified in Schedule "D" of the Agreement. Hydro One shall return the security deposit to the Generator Customer as follows:

(i) security deposits in the form of cash shall be returned to the Generator Customer, together with Interest, less the amount of any Capital Contribution owed by the Generator Customer once the Generator Customer's Facilities are connected to Hydro One's new or modified Connection Facilities; and

(ii) security deposits in any other form shall be returned to the Generator Customer once the Generator Customer's Facilities are connected to Hydro One's new or modified Connection Facilities and any Capital Contribution has been paid.

Notwithstanding the foregoing, Hydro One may keep all or a part of the security deposit: (a) where the Generator Customer fails to pay any amount due under the Agreement within the time stipulated for payment or (b) in the circumstances described in the OEB-Approved Connection Procedures.

Easements and Other Land Rights

17. The Generator Customer shall secure all required real estate rights/land agreements, and/or approvals for Hydro One related thereto (e.g. municipal consents for access and access or entry permits) at the Generator Customer's expense. With respect to the acquisition of land rights, including, the addition of lands to Hydro One's Provincial Master Land Use Permit, the cost of same includes, but is not limited to, the purchase (price), easements/lease/licence costs along with any associated costs such as the cost of performing appraisals, surveys, submitting applications, licence and review fees, legal and land disbursement closing costs and the cost of any special studies that might arise in the calculation of compensation in respect of the land rights (i.e. aggregate). Any compensation paid by the Generator Customer to third parties for land purchases, easements and other land rights described in this Agreement to be secured by the Generator Customer on Hydro One's behalf shall be on commercially reasonable terms that are consistent with Hydro One's land acquisition policies.

If specified in Section 3.8 of Schedule "D" of the Agreement that:

(i) a grant(s) of easement in gross is required, the Generator Customer shall cause the registered owner(s) of the lands described as the Easement in Gross Lands in Section 3.8 of Schedule "D" to grant an easement in gross to Hydro One for nominal consideration substantially in the form of the grant of easement in gross attached hereto as Schedule "F" for the Easement in Gross Lands for the Easement in Gross Term specified in Section 3.8 of Schedule "D" by no later than the date specified in the Agreement as the Easement in Gross Date;

(ii) an access easement(s) is required, the Generator Customer shall cause the registered owner(s) of the lands described as the Access Lands in Section 3.8 of Schedule "D" to grant an access easement to Hydro One for nominal consideration substantially in the form of the Access Easement attached hereto as Schedule "G" for Access Easement Lands for the Access Easement Term specified in Section 3.8 of Schedule "D" by no later than the date specified in the Agreement as the Access Easement Date. The Generator Customer shall also secure all municipal consent and approvals for any access road easements required by Hydro One for all or any part of the Hydro One Work by the Access Easement Date;

(iii) an easement is required for an access road for a term beyond 21 years, as an access road easement for a term beyond 21 years may be viewed as not being exempt use by a utility with specific reference to s. 50(3) of the Planning Act (the "**Act**") as the Act mentions a distribution line, transmission line etc. but with no reference to an access road and some municipalities however have viewed this differently and consider an access as ancillary and part of what's described in s. 50(3) of the Act and therefore is exempt from the municipal consent process, the Generator Customer shall be responsible to either: (a) secure municipal consent for the access road or (b) provide a letter from the municipality addressed to Hydro One stating that the access easement, beyond 21 years is for Hydro One and that the municipality considers access as part of the works described in the Act and therefore is not subject to the consent process;

(iv) early access agreement is required, the Generator Customer shall cause the registered owner(s) of the lands described as the "Early Access Land(s)" in Section 3.8 of Schedule "D" to enter into an Early Access Agreement with Hydro One for nominal consideration substantially in the form of the Early Access Agreement attached hereto as Schedule "H" by no later than the date specified in Section 3.8 of Schedule "D" as the "Early Access Execution Date";

(v) title to lands is required, the Generator Customer shall:

(a) where the Generator Customer does not own the lands described as the "Lands to be Acquired

for Hydro One" in Section 3.8 of Schedule "D", purchase the said lands from the registered owner(s) of same; and

(b) once the Generator Customer has title to the lands described as the "Lands to be Acquired for Hydro One" in Section 3.8 of Schedule "D", enter into an Agreement of Purchase and Sale with Hydro One substantially in the form of the Agreement of Purchase and Sale attached hereto as Schedule "I" to transfer the said lands to Hydro One:

(i) for nominal consideration if the lands are required for Work Chargeable to Customer; or
(ii) for consideration that is consistent with Hydro One's land acquisition policies where the lands are required for Work Not Chargeable to Customer; and

with a closing date that is not to be later than the date specified in Schedule "D" as the "Closing Date";

(vi) where all or any part of the Work Chargeable to Customer is to be located on Crown (MNR), the Generator Customer shall obtain a Work Permit/Letter of Authority from the Ministry of Natural Resources (MNR) by by no later than the date specified in Section 3.8 of Schedule "D" as the "Date Work Permit/Letter of Consent Required" to allow Hydro One to construct the Work Chargeable to Customer located on the Crown land and add same to Hydro One's Provincial Master Land Use Permit at the Generator's expense;

(vii) approvals from pipelines and/or railway companies are required, the Generator Customer will be responsible for securing such approvals from the pipeline companies and/or railway companies listed in Section 3.8 of Schedule "D" as the "Affected Pipeline/Railway Companies" (including, but not limited to performing any necessary studies to obtain same) on Hydro One's behalf at its own expense by the Railway/Pipeline Approval Date specified in Section 3.8 of Schedule "D" ;

(viii) consultations with third party encumbrancers are required, the Generator Customer shall consult with such third party encumbrancers on Hydro One's behalf at its own expense to ensure that no project delays are experienced by Hydro One. Any costs incurred by Hydro One or third party encumbrancer for any facility relocation shall be performed at the Generator Customer's expense;

(ix) confirmation of Hydro One's rights to use an existing (Unopened) road allowance is required, the Generator Customer shall ensure and provide written confirmation that Hydro One will have all necessary rights and permission from the municipality to construct and to access the transmission line being built by Hydro One along the unopened road allowance described as the Unopened Road Allowance Lands in Section 3.8 of Schedule "D". Any costs associated with same, including, but not limited to, maintenance, repair, insurance and liability for Hydro One's use of the unopened road allowance will be paid for by the Generator Customer.

Events of Default

18. Each of the following events shall constitute an "Event of Default" under the Agreement:

(a) failure by the Generator Customer to pay any amount due under the Agreement within the time stipulated for payment;
(b) breach by the Generator Customer or Hydro One of any term, condition or covenant of the Agreement;
(c) the making of an order or resolution for the winding up of the Generator Customer or of its operations or the occurrence of any other dissolution, liquidation, bankruptcy or reorganization proceeding instituted by or against the Generator Customer or by or against Hydro One; and
(d) any other Events of Default specified in Schedule "D" of the Agreement.

For greater certainty, a Dispute (as that term is defined in Section 25 hereof) will not be considered an Event of Default under the Agreement. However, a Party's failure to comply with the terms of a settlement or resolution of a dispute by the OEB will be considered an Event of Default under the Agreement.

19. In the Event of Default by the Generator Customer (other than the Event of Default specified in Subsection 18(c) of the Terms and Conditions, for which no notice is required to be given by Hydro One), Hydro One shall give the Generator Customer written notice of the Event of Default and allow the Generator Customer 30 days from the date of receipt of the notice to rectify the Event of Default, at the Generator Customer's sole expense. If such Event of Default is not cured to Hydro One's reasonable satisfaction within the 30-day period, Hydro One may, in its sole discretion, exercise the following remedy in addition to any remedies that may be available to Hydro One under the terms of the Agreement, at common law or in equity: deem the Agreement to be repudiated and, after giving the Generator Customer at least 10 days' prior written notice thereof, recover, as liquidated damages and not as a penalty, the amounts payable by the Generator

Customer pursuant to Sections 12.1, 12.5, 13 or 14 hereof.

20. In the Event of Default by Hydro One (other than the Event of Default specified in Subsection 18(c) of the Agreement, for which no notice is required to be given by the Generator Customer), the Generator Customer shall give Hydro One written notice of the Event of Default and shall allow Hydro One 30 days from the date of receipt of the notice to rectify the Event of Default at Hydro One's sole expense. If such Event of Default is not cured to the Generator Customer's reasonable satisfaction within the 30-day period, the Generator Customer may pursue any remedies available to it at law or in equity.

21. All rights and remedies of Hydro One and the Generator Customer provided herein are not intended to be exclusive but rather are cumulative and are in addition to any other right or remedy otherwise available to Hydro One and the Generator Customer respectively at law or in equity, and any one or more of Hydro One's and the Generator Customer's rights and remedies may from time to time be exercised independently or in combination and without prejudice to any other right or remedy Hydro One or the Generator Customer may have or may have exercised. The parties further agree that where any of the remedies provided for and elected by the non-defaulting party are found to be unenforceable, the non-defaulting party shall not be precluded from exercising any other right or remedy available to it at law or in equity.

Invoices and Interest

22. Invoiced amounts are due 30 days after invoice issuance. All overdue amounts including, but not limited to amounts that are not invoiced but required under the terms of this Agreement to be paid in a specified time period, shall bear interest at 1.5% per month compounded monthly (19.56 percent per year) for the time they remain unpaid.

Liability and Force Majeure

23. PART III: LIABILITY AND FORCE MAJEURE and Sections 1.1.12 and 1.1.17 of the Connection Agreement are hereby incorporated in their entirety by reference into, and form an integral part of the Agreement. Unless the context otherwise requires, all references in PART III: LIABILITY AND FORCE MAJEURE TO "this Agreement" shall be deemed to be a reference to the Agreement and all references to the "the Transmitter" shall be deemed to be a reference to Hydro One.

Confidential Information

24. Confidential Information shall at all times be treated as confidential, and shall be prepared, given, and used in good faith. The parties shall use the Confidential Information only for the requirements of the work being performed including, but not limited to, planning or operating the Transmission System, and not for any other purpose, and shall not disclose it to any third party, directly or indirectly, without the prior written consent of the party that provided the Confidential Information, and in such events the third party shall agree to use the Confidential Information solely for the requirements of the work as specified. Confidential Information shall not be used for any commercial purpose of any kind whatsoever other than contemplated herein.

"Confidential Information" does not include:

(a) information that is in the public domain, provided that specific items of information shall not be considered to be in the public domain merely because more general information is in the public domain and provided that the information is not in the public domain as a result of a breach of confidence by the party seeking to disclose the information or a person to whom it has disclosed the information; and

(b) information that is, at the time of the disclosure, in the possession of the recipient, provided that it was lawfully obtained either from the other party or from sources, who did not acquire it directly or indirectly from the other party under an obligation of confidence.

Each party shall keep Confidential Information confidential except that Hydro One may disclose the Generator Customer's Confidential Information in the circumstances described in Section 4.7.2 of the *Transmission System Code*.

Disputes

25. Prior to the existence of OEB-Approved Connection Procedures either party may refer a Dispute to the OEB for a determination. Once there are OEB-Approved Connection Procedures, all disputes, including, but not limited to, disputes related to:

(a) the cost and the allocation of the costs under this Agreement,

(b) the cost and the allocation of costs of the Hydro One Connection Work and notwithstanding Hydro One's decision not to allocate or to allocate any part of the costs of this work to the Customer at this time; or

(c) any other costs and the allocation of any other costs associated with, related to, or arising out of the connection of the Project to Hydro One's transmission system or Hydro One's policies in respect of connections generally,

shall be dealt with in accordance with the dispute resolution procedure set out in the OEB-Approved Connection Procedures.

26. Before and after the existence of OEB-Approved Connection Procedures, if a Dispute arises while Hydro

One is constructing the New or Modified Connection Facilities, Hydro One shall not cease the work or slow the pace of the work without leave of the OEB.

General

27. The failure of any party hereto to enforce at any time any of the provisions of the Agreement or to exercise any right or option which is herein provided shall in no way be construed to be a waiver of such provision or any other provision nor in any way affect the validity of the Agreement or any part hereof or the right of any party to enforce thereafter each and every provision and to exercise any right or option. The waiver of any breach of the Agreement shall not be held to be a waiver of any other or subsequent breach. Nothing shall be construed or have the effect of a waiver except an instrument in writing signed by a duly authorized officer of the party against whom such waiver is sought to be enforced which expressly waives a right or rights or an option or options under the Agreement.

28. Other than as provided in Sections 12.7 and 30 hereof, no amendment, modification or supplement to the Agreement shall be valid or binding unless set out in writing and executed by the parties with the same degree of formality as the execution of the Agreement.

29. Unless otherwise specified, references in the Agreement to Sections or Schedules are to sections, articles and Schedules of the Agreement. Any reference in the Agreement to any statute, regulation, any OEB approved documents or any section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute, regulation, document or section as amended, restated or re-enacted from time to time. The insertion of headings is for convenience only, and shall not affect the interpretation of the Agreement. Unless the context requires otherwise, words importing the singular include the plural and vice versa.

30. This Agreement is subject to the *Transmission System Code* and the OEB-Approved Connection Procedures. If any provision of this Agreement is inconsistent with the:

(a) *Transmission System Code*, the said provision shall be deemed to be amended so as to comply with the *Transmission System Code;*
(b) OEB-Approved Connection Procedures the said provision shall be deemed to be amended so as to comply with the OEB-Approved Connection Procedures; and
(c) Connection Agreement made between the parties, associated with the new customer connection facilities, on the same subject matter, the Connection Agreement governs.