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July 18, 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: Goshen Wind Inc. Leave to Construct Application
Board File No. EB-2013-0096
Goshen Wind Inc. – Connection and Cost Recovery Agreement (“CCRA”)

We are counsel to Goshen Wind, Inc. (the “Applicant”) in the above-noted proceeding.

Please find enclosed, pursuant to the request of Board Staff in their interrogatories dated June 19, the Applicant’s CCRA.

Due to the commercially sensitive information contained the CCRA, and to protect design details that are potentially sensitive from a system security perspective as indicated by Hydro One,¹ 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

¹ The Applicant has worked with Hydro One to determine the necessary redactions.

Generation Facility Connection and Cost Recovery Agreement

between

Goshen Wind, Inc.

and

Hydro One Networks Inc.



for

CONNECTION OF 102 MW GENERATION FACILITY



This Generation Facility Connection and Cost Recovery Agreement made in duplicate as of the 27th day of June, 2013.

I. Goshen 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, "G" – Form of Access Easement, "H" – Form of Early Access Agreement, "I" – Form of Agreement of Purchase and Sale 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.

III.A. Subject to Subsection IIIB below, and provided that:

- (a) the Generator Customer executes and delivers this Agreement to Hydro One by no later than June 27, 2013 (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 the part of the Hydro One Work required to be constructed, installed, commissioned and energized such that the Generator Customer's Facilities may be connected to Hydro One's 115kV circuit L7S and is ready for energization 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 five (5) weeks after Backfeed Date (the "**Ready for Service Date**").

IIIB. 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 IIIA 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 foregoing to the extent that the said occurrences delay the Hydro One Work:

- (a) the Generator Customer does not fully complete the Generator Customer Connection Work such that the COVER sections 1 thru 6 testing may proceed (including, but not limited to the necessary components of the Generator Customer's Facilities being fully constructed) in accordance with the terms and conditions of this Agreement 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 or an individual Environmental Assessment in respect of all or any 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;
- (g) 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;
- (h) 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;
- (i) 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";
- (j) where applicable, Hydro One not receiving Leave to Construct by the Approval Date specified in Schedule "D" of the Agreement;
- (k) the Generator Customer not authorizing the expenditure of Premium Costs if Hydro One seeks authorization under Section 14 of the T&C; and
- (l) the Generator Customer not obtaining its REA by [REDACTED] which date is 20 Business Days prior to the date that Hydro One needs to perform alterations or construction at the proposed site(s) of the Hydro One Work in order for Hydro One to meet the Backfeed Date and the Ready for Service Date specified above as Hydro One does not submit its Class EA screen-out to the Ministry until the Generator Customer has obtains its REA;
- (m) the Generator Customer's REA being stayed, suspended or revoked;
- (n) the Generator Customer's REA is appealed and after expeditiously reviewing same, Hydro One determines subject to the terms set forth in Schedule "A" of this Agreement that the nature and basis of the appeal materially impacts Hydro One's ability to use or rely on or continue to use or rely on the Class EA screen-out that that Hydro One is preparing or has prepared and submitted;
- (o) the Generator Customer failing to maintain compliance with any terms or conditions of its REA;

- (p) Hydro One being able to rely upon and use the Generator Customer's Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records for the purposes of Hydro One obtaining any environmental approvals (including, but not limited to its, Class EA screen-out), permits or certificates required in respect of all or any portion of the Hydro One Work; and
- (q) Hydro One encountering delays due to any persons challenging the adequacy or sufficiency of the Environmental and Archaeological Studies and/or the Consultations in respect of all or any portion of the Hydro One Work.

IIIC. Should Hydro One not be able to rely upon and use the Generator Customer's Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records (collectively, the "**Generator's REA Documents**"), in whole or in part, for the purposes of Hydro One obtaining any environmental approvals, permits or certificates (including, but not limited to its, Class EA screen-out) required in respect of all or any portion of the Hydro One Work, Hydro One and the Generator acknowledge and agree that:

- (1) Hydro One will be entitled to recover from the Generator Customer any additional costs for any additional studies or work required to be performed in order for Hydro One to submit its Class EA screen-out or submit another Class EA screen-out for all or any portion of the Hydro One Connection Work, as the case may be; and
- (2) Hydro One shall not be entitled to recover any damages from the Generator Customer or its consultants in respect of Hydro One's inability to rely upon the Generator's REA Documents, in whole or in part.

IIID. 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 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. Preliminary Engineering Letter Agreement and Connection Cost Estimate Agreement

Hydro One and the Generator Customer are parties to a Preliminary Engineering Letter Agreements dated [REDACTED] ("PELA1"); a Feasibility Study Agreement dated [REDACTED] ("FSA1"); a Feasibility Study Agreement dated [REDACTED] ("FSA2"); and a Connection Cost Estimate Agreement dated [REDACTED] (the "CCEA") (PELA1 and the CCEA are hereinafter collectively referred to as the "Estimate Related Agreements") for the Generator Customer's 102 MW wind power generating facility:

- (i) pursuant to PELA1, the Generator Customer provided advance payments of [REDACTED] (plus HST in the amount of [REDACTED]) (the "PELA 1 Advance Payment") for performance of the Advance Work (as that term is defined in the PELA1) (the "PELA1 Work");
- (ii) pursuant to FSA1, the Generator Customer provided advance payments of [REDACTED] (plus HST in the amount of [REDACTED]) (the "FSA 1 Advance Payment") for performance of the Work (as that term is defined in the FSA1) (the "FSA1 Work");
- (iii) pursuant to FSA2, the Generator Customer provided advance payments of [REDACTED] (plus HST in the amount of [REDACTED]) (the "FSA 2 Advance Payment") for performance of the Work (as that term is defined in the FSA2) (the "FSA2 Work");
- (iv) pursuant to the CCEA, the Generator Customer provided advance payments of [REDACTED] (plus HST in the amount of [REDACTED]) (the "CCEA Payment") for performance of the Work (as that term is defined in the CCEA) (the "CCEA Work");
- (v) Hydro One has completed the performance of the PELA 1 Work, FSA1 Work, FSA2 Work and the CCEA Work (hereinafter collectively referred as the "Estimate Related Work");
- (vi) the cost for the performance of the Estimate Related Work is approximately [REDACTED] (plus HST) ("Cost of Estimate Related Work") and, notwithstanding any term to the contrary in any of the Estimate Related Agreements, is included in the amounts payable by the Generator Customer under the terms of this Agreement;
- (vii) the total amounts paid by the Generator Customer under the terms of PELA1, FSA1, FSA2 and CCEA is [REDACTED] (plus HST) (collectively the "Estimate Work Payments") and, notwithstanding any term to the contrary in any of the Estimate Related Agreements, is credited against the amounts payable by the Generator Customer under the terms of this Agreement.

The Parties acknowledge and agree that the Estimate Related Agreements are each deemed to be amended to reflect the inclusion of the Cost of Estimate Related Work and the Estimate Work Payments in this Agreement and that there will be no separate true-up process under the terms of the Estimate Related Agreements.

VIII. Acknowledgements re. Letter Agreement

INTENTIONALLY DELETED

IX. General.

This Agreement:

- (a) 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;
- (b) 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
- (c) 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.



Randy J. Church

Manager, Project Development and Oversight

Execution Date: *June 27, 2013*

I have the authority to bind the Corporation.

GOSHEN WIND, INC.



Name:

Title: **Michael O'Sullivan
Senior Vice President**

Name:

Title:

Date:

I/We 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 material, construction and commissioning of new and modified Hydro One facilities for all work pertaining to the Connection of the Generator Customer's Facilities to Hydro One's transmission system and described in this Schedule "A".

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 #2011-444); 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;
- shall repair any damage caused to lands, owned by Hydro One or third parties, associated with or related to the Hydro One Work;
- where Hydro One deems necessary, install appropriate solutions to address public safety concerns regarding the facilities being constructed by Hydro One, which may include, but is not limited to, safety enclosures and signage; and
- scrap all materials and equipment removed by Hydro One, or its agents, at site unless specifically stated otherwise.

Introduction:

The Generator Customer will construct a 102 MW wind farm in Huron County located in south-western Ontario. The Generation Facility will consist of 62 General Electric 1.6 MW Series wind turbine generators (WTGs) plus one WTG derated to 1.56MW. Each WTG shall connect to a Generator Customer-owned 34.5 kV collector feeder through 1800 kVA, 34.5 kV/690 V pad-mounted transformers. Five collector feeders will connect into the collector substation where a

69/92/115 MVA, 115kV/34.5kV, step-up transformer will be located.

The Generator Customer-owned 115 kV Goshen collector substation will be connected via a Generator Customer-owned 115 kV line, 23.6 km long, 1351 45/7 ACSR "Dipper" single conductor to Hydro One's existing L7S Seaforth-Kirkton 115 kV line approximately 22.5 km south of Seaforth TS.

See Figure 1 for single-line diagram.

Scope of Work:

Part 1: Lines Work

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

- Provide and install 3 individual 40ft, class 3, guyed dead-end poles between str. 149 and 150, close to structure 149;
- Provide and install 40ft, class 3, H-frame suspension wood poles opposite the 3 dead-end poles, on the side of the customer substation;
- Provide and string 477 kcmil conductor between the two structures installed above and the customer dead-end station structure;
- Drop down taps from the main line to the perpendicular tap span underneath;
- Provide and install MSOs outside the customer sub-station fence;
- Connect counterpoise from structure 149 to the new tapping wood poles; and
- Obtain the EA Screen-out approval and provide construction support by advising on compliance with EA requirements/commitments. Respond to environmental issues, help to minimize environmental effects. Arrange for remedial action where appropriate, for work associated with connecting the Goshen Wind Energy Centre to circuit L7S.

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

1.1 General

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

- Design line tap to connect Goshen Wind Energy Centre to Hydro One 115-kV circuit L7S, 22 km from Seaforth TS;
- Technical specifications for geotechnical investigation (if necessary)
- Prepare footing requirement charts/drawings for the line structures (if necessary);
- Prepare insulator and hardware drawings (if necessary);
- Prepare stringing charts;
- Update existing drawings (i.e. update plan profile of L7S with new tap information);
- Provide bill of materials for engineered line components;
- Prepare final design documents including registration in SAP;
- Provide technical support to construction; and
- Participate in project team meetings.

Assumptions:

- i. The Generator Customer's dead-end structure is rated for 3000 lbs. for conductor and 1500 lbs. for shield wire (in the perpendicular direction);
- ii. Geotechnical data is available; and
- iii. Area survey including topography is available.

Part 2: Protection

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

- Revise line protection setting to cover the apparent impedance on lines L7S & 61M18 at Seaforth TS and D8S and Detweiler TS in normal and emergency operating conditions.
- Protection work with respect to the connection of the Generation Facility includes the following:
 - i. Review Generator Customer's HV breaker and line protection EWDs;

- ii. Review Generator Customer's HV breaker, line protection settings and logic diagrams;
- iii. Review Generator Customer's protection description;
- iv. Revise Hydro One's CAPE database.

- Protection work at **Seaforth TS** includes the following:

- i. Modify existing 115kV line protection design for the line L7S & 61M18;
- ii. Revise existing 115kV line protection relay settings for L7S and 61M18 based on faults study results;
- iii. Revise existing 115kV protection relay settings for buses 'K' & 'D' based on faults study results.

- Protection work at **Goderich TS** includes the following:

- i. Modify existing transformer protection design drawings for T1, T2, T3 & T4;
- ii. Modify existing transformer protection IED relay logic diagram for T4;
- iii. Review line backup settings for 61M18 based on faults study results.
- iv. Design transformer LV block protection for T1, T2 & T3

- Protection work at **Centralia TS** includes the following:

- i. Modify existing transformer protection design drawings for T1, T2 & T3;
- ii. Review line backup settings for L7S based on faults study results.
- iii. Design transformer LV block protection for T1, T2 & T3

- Protection work at **St. Mary TS** includes the following:

- i. Modify existing line protection design for L7S & D8S;
- ii. Revise existing line protection relay settings for L7S & D8S based on faults study results.

- Protection work at **Detweiler TS** includes the following:

- i. Modify 115kV line protection design for D8S;

- ii. Revise existing line protection relay settings for D8S based on faults study results for D8S.

2.1 General

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

- Engineering responsibility for design of relaying equipment
- Reviewing of drawings from customer
- Issuing protection circuit schematic, wiring, and electrical arrangement drawings
- Prepare and issue Protection Description document
- Issue the new protection settings
- Support Stations P&C during commissioning
- Mark and forward all FMPs to Head Office for creation/issue of 'As Built'

Assumptions

- Based on the existing communication channels, the line protection for L7S & D8S will be distance scheme (as a differential scheme is not acceptable);
- The sustainment program (ref. AR 17147) related to 115kV Line L7S & 61M18 protection and associated breakers failure protection upgrade is currently scheduled for 2014. It is assumed these protection upgrades will be completed prior to the Generation Facility going into service.
- This is necessary as space in the relay room is limited and will allow new racks to be installed in new positions to incorporate the Generation Facility;
- A SPS-G/R scheme is required and has been identified in the planning specification;
- According list of stations identified for Bruce Special Protection Scheme (BSPS) it is understood that the Generator Customer's Facilities will not be involved in the BSPS scheme;
- Communication channels between the Generator Customer's Facilities to Seaforth TS for transfer trip, block and GEO are available;
- Communication channels between the

Generator Customer's Facilities to St. Mary TS for transfer trip and GEO are available;

- Communication channels between Seaforth TS and Centralia TS for transfer trip and block are available;
- Communication channels between Seaforth TS and Goodrich TS for block signal are available;
- Cascade transfer trip signal from St. Mary TS to Detweiller TS will be maintained;
- Cascade transfer trip signal from Detweiller TS to St. Mary TS and Rush MTS will be maintained; and
- Outages are available when required.

Part 3: Teleprotection

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

- Main and alternate NSD570 teleprotection channel between St. Mary's TS and Goshen WEC;
- Main and alternate NSD570 teleprotection channel between Seaforth TS and Goshen WEC;
- Main and alternate NSD570 teleprotection channels from Seaforth to/from Centralia TS for connection to 115kV circuit L7S. Required commands include Transfer Trip, Block, and GEO;
- Check connections on NSD570 teleprotection;
- Complete Commissioning and Test Report and send to Engineering;
- Perform teleprotection functional tests between the sites;
- Verify transfer trip Seaforth TS x Centralia TS;
- Verify transfer trip Seaforth TS x Goshen WEC;
- Verify transfer trip St Mary's TS x Goshen WEC;
- Verify Telco S4T4 analogue channels; and
- Verify alarms.

Notes:

- i. NSD570 design to follow Hydro One Analog Standard 6446-60211-15-R0.A. L7S is not NPCC-impactive

3.1 St. Mary's TS

- Design A and B NSD570 analogue based teleprotection to Goshen WEC facilitating Transfer Trip, Block and GEO; and
- NSD570 modules located in the Control and Maintenance Building.

3.2 Seaforth TS

- Design A and B NSD570 analogue based teleprotection to Centralia facilitating Transfer Trip;
- Design A and B NSD570 analogue based teleprotection to Goshen WEC facilitating Transfer Trip, Block and GEO; and
- NSD570 modules located in the Control Building.

3.3 Seaforth TS – (facing Goderich TS)

Main Teleprotection Channel – keying cable only

- Exiting 'A' NSD570 'Picture Frame' Module on rack BB MOD A; and
- Route 2pr keying cable.

Alternate Teleprotection Channel – keying cable only

- Exiting 'B' NSD570 'Picture Frame' Module on rack BK MOD A; and
- Route 2pr keying cable.

3.4 Goderich TS – (facing Seaforth TS)

Main Teleprotection Channel – keying cable only

- Exiting 'A' NSD570 'Picture Frame' Module on rack 107 MOD A; and
- Route 2pr keying cable.

Alternate Teleprotection Channel – keying cable only

- Exiting 'B' NSD570 'Picture Frame' Module on rack 207 MOD A; and
- Route 2pr keying cable.

3.5 Centralia TS

- Design foundation for 115kv CVT;
- Design 115kv CVT;
- Design steel structure for 115kv CVT;
- Design A and B NSD570 analogue based

teleprotection to St Mary's facilitating Transfer Trip, Block and GEO; and

- NSD570 modules located in the Control Building.

3.6 General

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

- Production of associated PRs;
- NSD570 programming (Granite);
- Provide connection to Telco, alarm points for Hydro One sites;
- Provide Field P&C Engineering with test and commissioning procedures;
- Provide new drawings, revise/approve site drawings;
- Input NOMS slips and Service desk tickets for HON outages;
- Co-ordination of activities and outages; and
- Update SAP registry for all active/non active teleprotection equipment.

Assumptions

- Teleprotection equipment to be assembled on new racks at St Mary's TS Control and Maintenance Building;
- Teleprotection equipment to be assembled on new racks at Centralia TS Control Building;
- Teleprotection equipment to be assembled on existing racks at Seaforth TS Control Building.

Part 4: SCADA/Control Engineering

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

- Provide monitoring and controls to the customer, as well as modification to existing SCADA equipment at Sea forth TS, St. Mary TS and Centralia TS for any change to alarms/statuses from new and existing protections.

4.1 General

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

Goshen WEC Generation

Review and provide Network Management System (NMS) submission for Generator Customer

- 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.
- Generator Customer's SCADA information to be provided to NMS via either one of the two alternatives indicated above.

Seaforth TS

- Add 2 diameter LAN equipment (8 new diameter switches and 4 bay level D25) to accommodate protection IEDs
- Provide Fibre connections from protection IEDs to the SCADA LAN Infrastructure modules
- Provide hard-wired connections from protection IEDs to the station RTU
- Design and Modification of drawings - LAN Block Diagram, Elementary Wiring Diagrams, and Connection Wiring Diagrams.
- Update Station Tabulation of Functions in conjunction with Protection and other groups to determine point requirements for new and revised equipment
- Provide Hub site support and Point Verification Testing
- Preparation of Bill of Materials for new equipment for use in material requisitions
- Provide support for field commissioning staff
- Submit NMS Template
- Assist Hydro One to meet IESO requirements related to new assets as required.
- Complete databases and documentation for new control equipment only: PCMIS, SAP Asset Registry, KMS, Sharepoint

St. Mary TS & Centralia TS & Detweiller TS

- Update Hydro One's Station Tabulation of Functions in conjunction with Protection and other groups to determine point requirements for new and revised equipment
- Provide hard-wired connections from new protection IEDs to the station RTU
- Provide Hub site support and Point Verification Testing
- Provide support for field commissioning staff
- Submit NMS Template
- Complete databases and documentation as required: PCMIS, SAP Asset Registry, KMS, Share point

Assumptions

- i. That change to protection relay I/O will not be required unless there will be fibre that requires reconfiguration and hardwired alarms that require changing; and
- ii. That outages are available when required

Part 5: Telecommunication

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

- Assist in installation and provisioning of five new Generator Customer-owned leased circuits at Seaforth TS and Detweiller TS. This is required as part of the connection of the Generation Facility to Hydro One's transmission system Activities required to connect the Generator Customer-owned SCADA infrastructure to the [REDACTED] hub site.
- Overseeing the Telco commissioning of the Optical Isolator at Centralia TS
- Provide station access and escort duties to Telco staff for installation of new leased circuits at Seaforth TS, St. Mary TS, Centralia TS and Detweiller TS.
- Perform leased circuit commissioning and standard acceptance tests on the newly installed leased circuits used for teleprotection.

5.1 General

Telecom Cable and Database

- Perform a GPR study at Centralia TS. Provide a new metallic cable entrance facility into Centralia TS to accommodate the addition of 2 new customer S4T4 circuits for Teleprotection on a single entrance cable. Installation of a new Optical Isolator is required at Centralia TS to provide High Voltage protection of the leased circuits connecting to the site.
- Assist in providing new Generator Customer-owned leased circuits at Detweiller TS, Seaforth TS and St. Mary's TS to enable connection of the Generation Facility to Hydro One's transmission system. 4xS4T4 circuits are required at Seaforth TS for NSD570 without diversity, 2xS4T4 circuits are required at St. Mary TS without diversity and 1xS4T4 circuit is required for SCADA at Detweiller TS.

Network Infrastructure

- Scope of Work covers the activities to connect new Generator Customer owned SCADA infrastructure to the hub site that is located at [REDACTED]. This estimate covers installation of the analog modem at [REDACTED] that will be connected to the Generator Customer site via S4T4 circuit.

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

Telecom Cable and Database

- Perform GPR study at Centralia TS.
- Prepare a design and implementation package for new optical isolator at Centralia TS.
- Prepare all associated material requests.
- Prepare all associated drawings.
- Issue instructions to Hydro One Construction forces for Centralia TS
- Provide coordination of field activities (construction, inspection, testing and commissioning) at Centralia TS.
- Provide assistance in leased circuit provisioning and coordination with Telco in-ordering of 7 Generator Customer-owned S4T4's as mentioned below:-
 - 2 S4T4's without diversity between Seaforth

TS and Centralia TS for teleprotection.

- 2 S4T4's without diversity between Seaforth TS and Goshen Substation for teleprotection.
- 2 S4T4's without diversity between St. Mary TS and Goshen Substation for teleprotection.
- 1 S4T4 between Detweiller TS and Goshen Substation for SCADA.
- Order optical isolator cards if required.
- Participate in project and coordination meetings and site visits as required.
- NOMS Outage Request & Granite database update
- Technical assistance to P&C as required

Based on the assumptions, typical construction scope of work and materials for metallic cable entrance include:

- Install two 4" PVC ducts (at the depth of 1.2m) from the property line to the Optical Isolator equipment located in a building within station perimeter. Install road protection (typically 5" metal conduit) over the width of any road crossing. Exact distance to be determined during design stage but it would be less than 300 meters.
- Install pull boxes, as required, to accommodate cable pulling
- Install plywood backboard and mount Optical Isolator and other auxiliary equipment on backboard.
- Wire-up 125V DC station power to Optical Isolator
- Provide Contract Monitoring to Telco during installation of cable.

Network Infrastructure

- Provide and install UDS201 Modem at [REDACTED]
- Provide DC power and required wiring to the equipment
- Construction will run all cabling in conduit where specified
- Install Cable Trench for Bell Cable entrance at Centralia TS
- Install CVT and associated equipment at Centralia TS
- Prepare list/material requisition detailing the equipment to be purchased
- Locate available port(s) on the hub site getaway

- Send request to NMS database
- Update Share Point sketches
- Modify Gateway configuration at hub sites to accommodate new system design
- Create NOMS slips and RFC for any work relevant to the project
- Revise existing and produce new drawings as required
- Review and process all field marked prints
- Prepare tail circuit design and drawing package
- Design Cable Trench for Bell Cable entrance at Centralia TS
- Participate in project and coordination meetings and site visits as required

Assumptions

- Scope of work is based on best available data.
- No site visit or surveys have been done for this estimate.
- At time of project launch, there will be sufficient spare pairs at Seaforth TS to accommodate the requirement for 4 new S4T4 circuits (8 pairs) without diversity.
- At time of project launch, there will be sufficient spare pairs at St. Mary's TS to accommodate the requirement for 2 new S4T4 circuits (4 pairs) without diversity.
- At time of project launch, there will be sufficient spare pairs at Detweiller TS to accommodate the requirement for 1 new S4T4 circuit (2 pairs).
- At the time of project launch, sufficient pairs would not be available at Centralia TS for the installation of 2 new S4T4 circuits, hence a new Telco entrance and Optical Isolator is required.
- Sufficient wall space will be available at Centralia TS for installation of Optical Isolator and leased Telco equipment.
- Sufficient wall space will be available at Seaforth TS, St. Mary TS and Detweiller TS for installation of any leased Telco equipment if required.
- Estimate is based on average cost for adding a new leased copper cable with necessary HVI equipment (Entrance cable will be 50 pairs, with 25 pairs terminated in Optical Isolator).
- New cable entrance to Centralia TS is addressed by this estimate (if more than one entrance required costs could be more than double).

- Telco provisioning/inspection/commissioning costs typically do not exceed \$40,000, per site.
- Typical lead time required to complete the installation is 5-6 months.
- Estimate assumes that no new fiber and/or copper cable infrastructure (both access and inter-building) is required, and all communication requirements will be accommodated on existing copper based facilities at all Seaforth TS, St. Mary TS and Detweiller TS.
- There are no additional leased circuit's requirements at Seaforth TS, Centralia TS, St. Mary TS, Detweiller TS or any other Hydro One station, for SCADA and/or teleprotection services.

Notes:

- Currently there is enough capacity on the existing telecom metallic facilities at Seaforth TS, St. Mary's TS and Detweiller TS to accommodate the requirements mentioned above. In case there is no spare capacity available on the metallic cable entrance and high voltage protection equipment (NT/IT/OI) at Seaforth TS, St. Mary's TS and Detweiller TS to meet communication requirements at the time of project launch, new metallic entrance facility will have to be provided, causing delays (approx. 6-month lead time per site) and increase in total cost of the project.
- A new Telco metallic cable was installed at Seaforth TS in 2012 as part of another project. Currently there are two circuits installed on it (between Seaforth TS and Goderich TS) and they have been experiencing intermittent outages of very brief duration approximately once every two weeks. Hydro One has asked ITMC to request a Class A investigation by the Telco in order to find out the problem and resolve it. As such it is not clear yet whether it is the cable at Seaforth, Goderich or CO causing these outages. By project launch if this issue is not resolved, an alternative will be required to fulfill the requirements of this project.

Part 6: Metering

Intentionally deleted.

Part 7: Environmental Engineering

Hydro One will perform the following activities and/or provide the following deliverables associated with Environmental Engineering work related to the construction of the L7S T-tap:

- For the L7S T-tap only, Hydro One will 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's internal policies, procedures and HODS (Hydro One Document System) documents.
- For the L7S T-tap only, Hydro One will perform the work required to obtain all environmental permits and approvals, including the full Class EA via the EA Screen-out process. Hydro One will not file its EA Screen-out Report until such time as the Ministry of Environment has issued the Generator Customer's REA.
- Provide construction support by advising on compliance with EA requirements/commitments, and responding to environmental issues, helping to minimize environmental effects and arrange for remedial action where appropriate.
- Review Generator Customer's environmental documents/specifications as required.
- Review any appeal(s) of the Generator Customer's REA to determine the nature and basis of the appeal(s) and whether there is a material impact on Hydro One's ability to use or rely on or continue to use or rely on the Class EA screen-out that that Hydro One is preparing or has prepared and submitted, within 10 business days of the date that the Generator Customer provided Hydro One with a copy of all documentation filed with any appeal(s), including, but not limited to the appeal(s) filed

with the Environmental Review Tribunal (the "REA Appeal Submission Date"). In the event that Hydro One determines, acting reasonably, that there is sufficient evidence in or associated with such appeal such that Hydro One cannot continue to use or rely on the Class EA screen-out that Hydro One is preparing or has prepared and submitted, Hydro One will notify the Generator Customer in writing, within 12 business days following the REA Appeal Submission Date that it is withdrawing Class EA Screen-out that it has submitted or will not be submitting the Class EA Screen-out it has prepared, as the case may be.

- Monitor environmental impact during construction
- Soil testing and laboratory assessment as required to identify any potential soil contamination.

Assumptions/Risks:

- i. If required, an Environmental Compliance Approval (ECA) for drainage will be obtained by Hydro One in accordance with required timeline;
- ii. Estimate prepared based on the site selected by the Generator Customer for their project
- iii. *Hydro One will not have to perform a full class Environmental Assessment or an individual Environmental Assessment;
- iv. Hydro One is able to rely upon and use the Generator Customer's Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records for the purposes of Hydro One obtaining any environmental approvals, permits or certificates required in respect of all or any portion of the Hydro One Work;
- v. *That no federal or provincial land is involved triggering a Federal EA or the requirement for an MNR work permit respectively;
- vi. *That there are good access roads and where applicable, that no water crossing will be needed;
- vii. *That the Generator Customer will complete and that the Ministry of Tourism, Culture and Sport will accept the archaeological assessment

report (Stage I and Stage II and Stage III if required) for the access roads and tap connection location submitted by the Generator Customer for this project, prior to the start of construction, which report will support the Class EA screen-out to be prepared by Hydro One for the connection facilities.

- viii. *No significant natural environmental issues
- ix. *Work will not require Species at Risk permits
- x. No provision has been included for issues associated with specific property ownership concerns.
- xi. Legal right to enter properties for survey purposes (legal, soil, biological and archaeological) will be obtained in a timely manner and in a voluntary entry basis.
- xii. *Hydro One OEB Section 92 approval is not required.
- xiii. *Additional studies/information requests by regulatory agencies are not included.
- xiv. *Any requirements for archaeological assessments are not included.
- xv. Municipal, regional and MOE approvals will be obtained in a timely fashion.
- xvi. *Recommendations stated in the Generator Customer's archaeological assessment will be accepted by the Ministry of Culture Tourism and Sport.
- xvii. *No Municipal Site Plan Approval is required.
- xviii. No Storm Water Management Plans are required.
- xix. No permanent site de-watering due to high groundwater table
- xx. Building Permit costs are estimates only and will vary depending on municipality and/or township.
- xxi. Proponent will build any required access roads

The parties agree that the Assumptions/Notes marked with an asterisk above will be deemed satisfied and will be given no effect, including with respect to the schedule for Hydro One's performance of the Hydro One Work, 30 days after the date on which Hydro One files its EA Screen-out Report.

Risks:

- i. Project schedule may change if the Generator Customer requires a Stage 4 Archaeology

Assessment on the lands that Hydro One requires to complete the Hydro One Work..

- ii. Project delays if not given enough lead time for the environmental permits, license and approvals mentioned in this estimate.

Refer to Schedule "C" for Generator Customer REA requirements.

Part 8: Real Estate

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

- review and where necessary, be involved in the negotiation of, the agreements (including easements) and approvals to be obtained by the Generator Customer on behalf of Hydro One referenced in Section 10 of Schedule 'C' under the heading "Hydro One Easements and Other Land Agreements Required from Third Party for the Hydro One Work." Such easements shall be substantially in the form of Hydro One's standard form easement documents.
- provide the Generator Customer with the requisite information on the locations and dimensions of the lands associated with the easements, land acquisition and permits referenced in Section 10 of Schedule "C" in sufficient time to permit the Generator Customer to obtain said easements, reference plans, land and permits within the timeframes referenced in Part III of this Agreement.

Part 9: Field Services

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

9.1 Construction and Commissioning Services

- Test and commission newly installed CVT and associated equipment at Centralia TS;
- Construct and commission system in accordance with the approved design : "MOE Certificate of Approval-Industrial Sewage Works" and "Environmental Specification", where applicable;

- 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;
- Define Outage Plan and arrange for appropriate outages ;
- Provide construction management including removal and installation of all materials and equipment on site; and
- Provide Health and Safety requirements to construction staff on site (see Section 7.3.2).

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

9.2 COVER

- Carry out witness verifications (COVER) 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 at Generator Customer facilities; and
- iii. Hydro One field staff will not test Generator Customer telecom equipment rack back-to-back with Hydro One equipment at Detweiler TS and Seaforth TS.

9.3 Quality Control

9.3.1 Applicable Standards, Codes, Guidelines

- i. 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.

9.3.2 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 are wearing 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.

9.4 Power Outages

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

9.5 Station Soil Condition

- Assume that rock excavation and trenching will not be required; and
- Assume that sheet piling and de-watering will not be required.

9.6 Spill Management

- Ensure spill risks and appropriate spill management measures are considered as part of this project in accordance with HODS SP0785.

9.7 Underground Facilities

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

9.8 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 Generator Customer's Facilities.

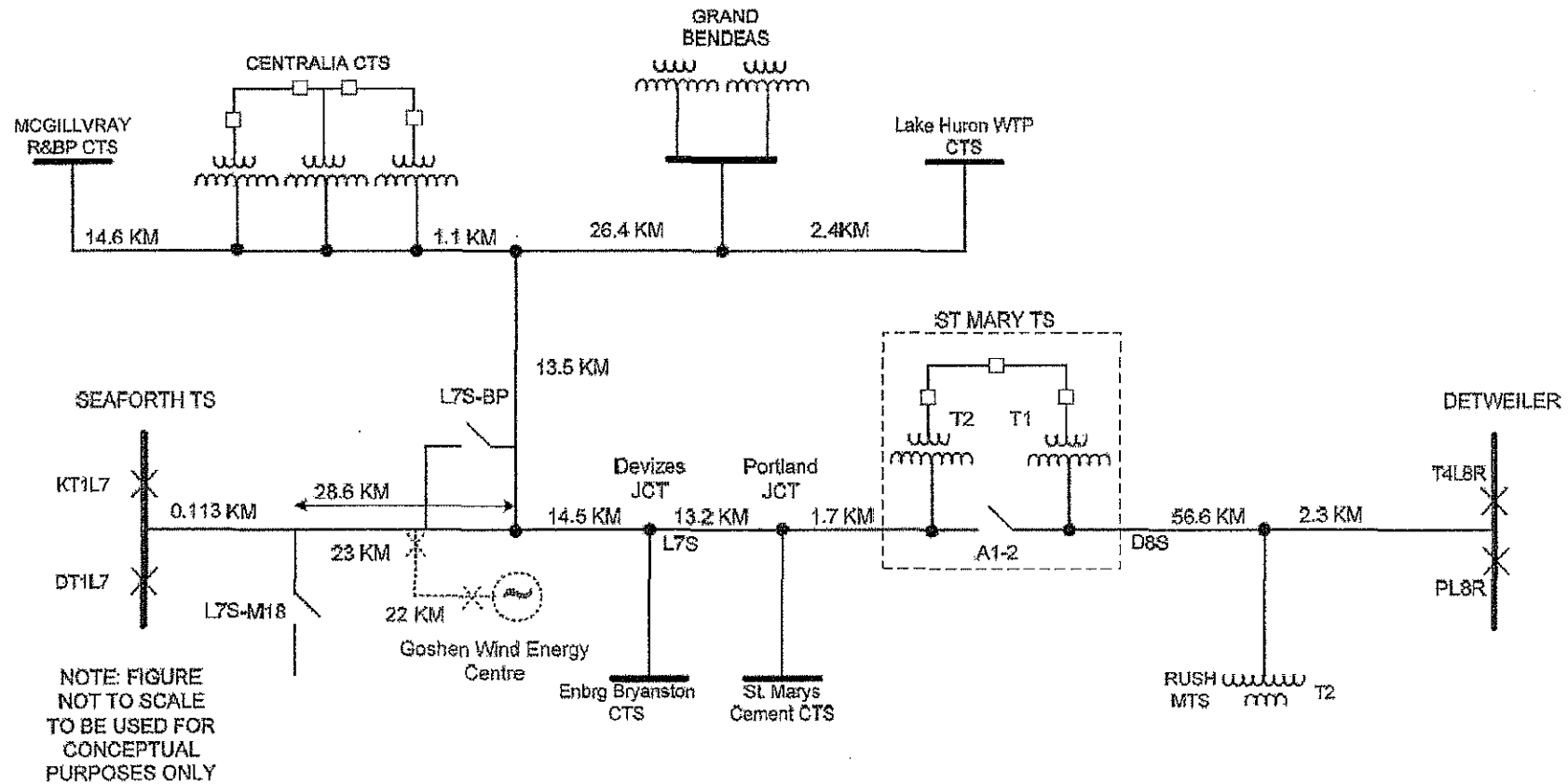


Figure 1. Single-line diagram showing Goshen WEC connected to L7S.



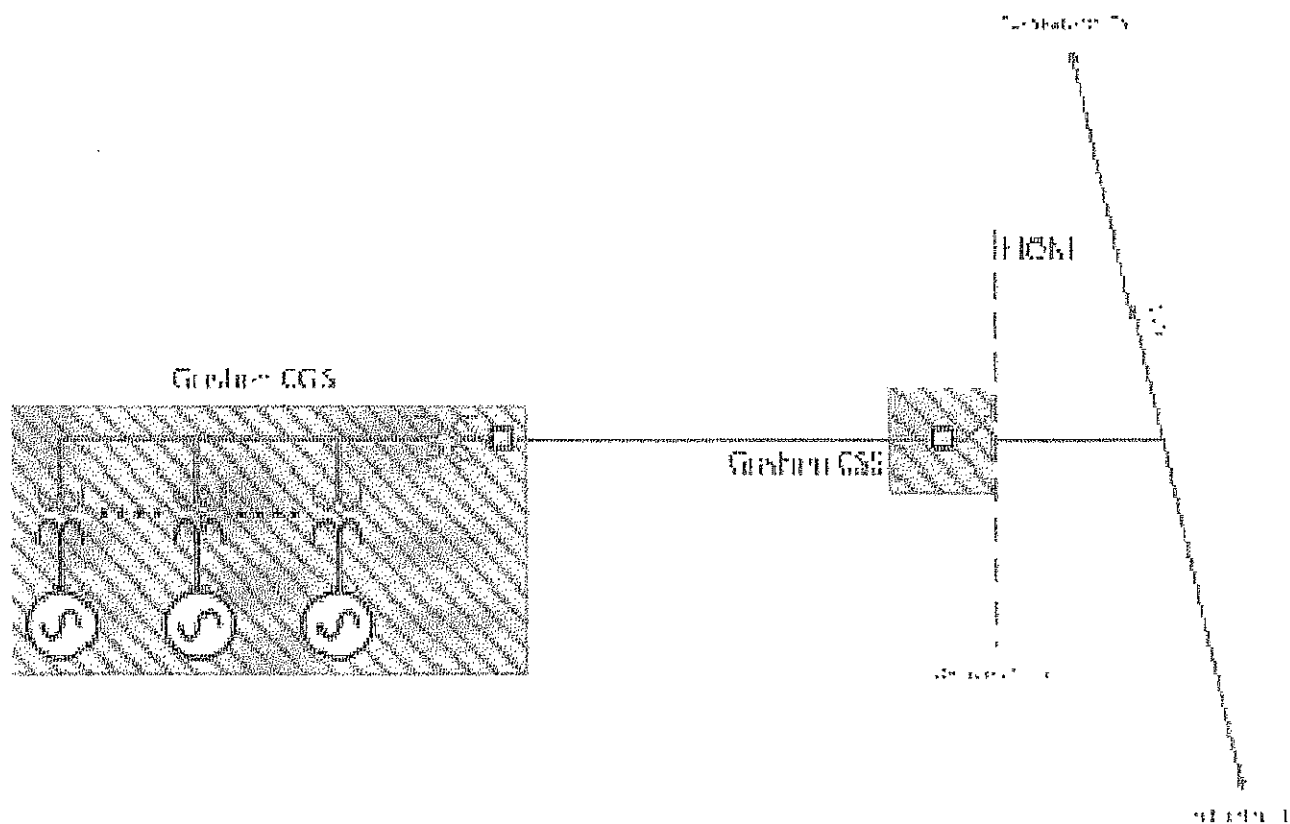


Figure 2. Single-line diagram showing demarcation of assets between HONI and Goshen CSS.

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

None.

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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) ensure its dead-end structure is rated for 3000 lbs. for conductor and 1500 lbs. for shield wire (in the perpendicular direction);
- (h) perform a geotechnical survey and soil testing on Hydro One's behalf in accordance with Hydro One's technical specifications of the tap location provided by Hydro One; and

- (i) satisfy all other requirements specific to the Connection.

Part 2: Line tap

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

- Provide dead-end/H-frame structure to accommodate the 115kV overhead line-tap and skywire;
- Provide information of the phase rotation at the dead-end structure;
- Terminate the single-circuit line-tap on motorized disconnect switch located close to dead-end/H-frame structure;
- Provide an access road for MSO operation by Hydro One line-repair truck; and
- Complete grounding, site preparation, fencing and access road construction requires for the 115kV line-tap connection work.

Part 3: 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 equipment is capable of operating continuously between 113 kV and 127 kV in accordance with Market Rules (Reference 2, Appendix 4.1);
- 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 soil test reports to be used in the design of dead-end tower structure; and
- Provide ground-grid calculation report of the new switching station with the Generator Customer's disconnect switch and metering equipment).

3.1 Grounding

- The Generator Customer shall design and install the grounding system for the Generation

Facility including the disconnect switch site to meet the requirements of the Electrical Safety Code (Ontario), the Electrical Safety Authority (ESA) and the requirements set out in the Connection Agreement without relying on an interconnection with 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 4: Protection & Control Engineering

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

- Provide remote/transfer trip schemes tripping the 115 kV line circuit breakers at L7S line-tap location;
- Provide status information of motorized line disconnect switches and circuit breakers at Generator Customer's CSS/Generation Facility including measured quantities such as MW flow, MVAR flow and phase-to-phase voltage at 34.5 kV bus to Hydro One OGCC (Ontario Grid Control Centre);
- Provide breaker failure (BF) protection for the 115 kV L7S circuit breakers at line-tap location and send breaker-fail alarm signals to Hydro One operators. The general procedure is for the Generator Customer to isolate the Generation Facility via line disconnect switches and then coordinate reconnection to the grid when appropriate;
- Provide blocking and Generator-End-Open (GEO) signals for internal faults at the Generator Customer's Facilities allowing reclosure of line breakers at Seaforth TS following a trip;

- Adhere to Hydro One OGCC finalized alarms, statuses and telemetry tables;
- Provide protection documentation relating to relay settings at Generator Customer's CSS and the Generation Facility for proper coordination with Hydro One relay settings; and
- Provide dual protection schemes that are to be supplied from separate batteries in accordance with NPCC requirement and that all subsystems are to be compliant with Market Rules, NPCC and NERC where applicable.

Part 5: Teleprotection at the Generation Facility

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

- Carry out all teleprotection engineering work including designing, programming, assembling and commissioning teleprotection equipment at Generator Customer's CSS/ Generation Facility;
- Carry out telecom path study, link design, frequency selection, Industry Canada (IC) application, licenses application, tower and radio procurement;
- Provide two RFL IMUX digital teleprotection channels at Generator Customer's CSS/Generation Facility (main and alternate) to carry 'A' and 'B' line current differential relay communication;
- Provide a port in RFL IMUX for SCADA LAN channel; and
- Provide analogue teleprotection schemes for direct transfer trips and breaker statuses between Generator Customer's CSS/Generation Facility and the following Hydro One stations: Seaforth TS, Centralia TS, and St. Mary's TS. Communication will be over the protective relays through auxiliary contacts.

Notes:

When optical fiber cables are utilized as the communication medium, the Generator Customer shall bring their fiber connection to an agreed upon demarcation point outside Seaforth TS, Centralia TS, and St. Mary's TS station fences. The

Generator Customer is responsible for extending the fiber to the demarcation point. Hydro One will extend the fiber to inside the station, splice and terminate it.

Part 6: SCADA RTU

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

- Provide SCADA RTU functionality to meet Hydro One configuration and communication protocols and to comply with the 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; and
- Adhere to Hydro One OGCC alarms, statuses and telemetry tables.

Notes:

- i. The preferred method of SCADA connectivity would be a direct ICCP (*Inter-Control Center Communications Protocol*) connection from Generator Customer's CSS/Generation Facility to the OGCC via a 64 kb/s data channel on the RFL IMUX-2000. However DNP to [REDACTED] hubsite will be acceptable as an alternative option;
- ii. Generator Customer is not required to implement protections against Aurora vulnerability, and
- iii. L7S is non-NPCC impactive and is not subject to NERC CIP cyber security requirement.

Part 7: Telecommunications

The Generator Customer shall:

- Provide communications cable entrance facility and cable protection at the Generation Facility.
- Be responsible for all monthly leasing costs and the yearly leasing charge (per pair) for Hydro One's neutralizing transformer capacity.
- Provide circuit routing.

Part 8: Revenue Metering

The Generator Customer shall:

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

Part 9: Requirements – Environmental, First Nations and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records

The Generator Customer shall:

- include the location of the connection facilities being built by Hydro One as part of the Hydro One Work (including any associated construction access and laydown areas) in the Environmental and Archaeological Studies, Notifications and Consultations;
- provide Hydro One with copies of the Environmental and Archaeological Studies, Notifications and Consultation records and applicable correspondence;
- provide Hydro One with any relevant feedback from the provincial and federal government agencies such as Ministry of Tourism and Culture ("MTC"), Ministry of Environment ("MOE"), Ministry of Natural Resources ("MNR") and the Department of Fisheries and Oceans ("DFO"), including any applicable Ministry Sign-offs;
- provide Hydro One with any agreements, written or oral, with the Crown on Duty to Consult obligations.
- provide Hydro One with copies of all documentation related to the appeal(s) of its REA, including, but not limited to the appeal(s) filed with the ERT within 3 business days after the appeal(s) have been filed with the ERT.

Notes:

- Hydro One's facilities cannot be approved under the Generator Customer's REA but Hydro One does need to rely on the Generator Customer's Environmental and Archaeological Studies, Notifications and Consultations (including records of same) for the purposes of obtaining any environmental approvals, permits or certificates that it requires in respect

of all or any part of the Hydro One Work in the interest of time

Part 10: 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 11: 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 arrester 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:

- 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 IESO Market Rules, if applicable.
- Generator absorption / deliverance of VARs from/to Hydro One system to maintain the Generation Facility terminal voltage to a given set point.

Part 12: 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.

12.1 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.

12.2 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 Vestas 6-pole doubly-fed asynchronous generator (DFAG) wind turbines 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.

12.3 Reactive Power

The Generator Customer shall install switched shunt capacitors and dynamic capacitive compensator that are not only used to meet the power factor range of 0.9 lagging (under-excited) to 0.9 leading (over-excited) but also to compensate for reactive power consumption on wind turbine generators, step-up transformers and distributed feeders and to react to sudden momentary dips in voltage commonly seen in gusty wind conditions which could add stress to Hydro One's transmission system.

- The Generator Customer shall install capacitor bank(s) at or as close as possible to the Connection Point or as identified in the SIA.
- 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.

12.4 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 Directory 12, 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 Generation 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.

12.5 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:

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

Average

12.6 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 is capable of achieving 90% of its steady-state response within 1 sec following a step change in voltage;
- 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.

12.7 Connection Agreement Requirements

The terms in this Part 10 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 [REDACTED] (excluding applicable Taxes) and is summarized as follows:

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

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

Notes:

- Overheads are included in the Estimated Capital Contribution.
- 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.

- Capital interest is included in the Estimated Capital Contribution.
- 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).
- 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.
- 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

Hydro One acknowledges receipt of the Estimate Work Payments (payments 1 thru 4) towards the Estimated Capital Contribution (plus applicable Taxes). The Generator Customer shall also make payments 5 thru 7 (plus applicable Taxes) towards the Estimated Capital Contribution to Hydro One on or before the payment date indicated below:

No.	Payment Date	Amount (\$)	Amount Paid (%)
1.	[REDACTED]	[REDACTED]	[REDACTED]
2.	[REDACTED]	[REDACTED]	[REDACTED]

3.			
4.			
5.			
6.			
7.			

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 via a 22.3 km long 115kV Generator Customer owned line to Hydro One's 115kV Seaforth-Kirkton L7S circuit.

3.2 Generation Facility

- The Generation Facility consists of 62 General Electric 1.6 MW Series, 690V wind turbine generators ("WTGs") plus one WTG derated to 1.56 MW. The WTGs will be arranged in four (4) groups – 3 groups of 16 WTGs and one group of 19 WTGs – and connected by 34.5 kV collector circuits to a new Generator Customer owned collector substation ("Substation") which will have a step-up transformer rated at 69/92/115 MVA, 115 kV/34.5 kV. The Substation will be connected via a Generator Customer owned 22.3 km long 115 kV line to Hydro One's 115 kV Seaforth-Kirkton L7S circuit. Connection point is approximately 22km from Seaforth TS.
- 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 of 102MW;

- each generating unit will be able to provide reactive power in the range of 0.9 lagging to 0.95 leading power factor at its generator terminals for at least one constant 115 kV voltage;
- a 14MVAR shunt capacitor bank will be installed at the 34.5 kV bus per the SIA;
- 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 Generation Facility comply with the Northeast Power Coordinating Council (NPCC) Special Protection System Criteria (Document A-11) for Type 1 special protection systems.

3.3 Generator Customer's Facilities

The Generator Customer's Facilities commence at the Generator Customer's disconnect switch at the Generator Customer's CSS and terminates at the Generation Facility on dedicated circuit breakers and motorized line disconnect switches.

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) or procured by the Generator Customer on behalf of Hydro One under the terms of this Agreement to be installed by Hydro One at Seaforth-Kirkton L7S circuit and Seaforth TS.

¹ Cross-reference Section 8 of T&C

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 (III(i) of Agreement): N/A

Exceptional Circumstances - Network Construction or Modifications:³ Description or None

Capital Contribution Includes Cost of Capacity Not Required by Generator Customer:⁴ Yes/No

Event of Default⁵:

3.7 Security Requirements⁶

Security Requirements: Insert Amount or Nil
Security Date: Insert Date or N/A

3.8 Easements and Other Land Rights⁷

Easement(s) in Gross Required: Yes

Easement in Gross Lands: PART OF PT LT 11 CON 14 USBORNE AS IN R279217; S/T UTA10109; MUNICIPALITY OF SOUTH HURON BEING PIN 412660040

Easement in Gross Term: 2 consecutive terms of 21 years less 1 day.

Easement in Gross Date: [REDACTED]

Access Easement(s) Required: Yes

Access Easement Lands: PART OF PT LT 11 CON 14 USBORNE AS IN R279217; S/T UTA10109; MUNICIPALITY OF SOUTH HURON BEING PIN 412660040

Access Easement Term: 2 consecutive terms of 21 years less 1 day

Access Easement Date: [REDACTED]

Easement Required for an Access Road for a Term Beyond 21 Years: Yes

Early Access Agreement(s) Required: Yes

Early Access Lands: PART OF PT LT 11 CON 14 USBORNE AS IN R279217; S/T UTA10109; MUNICIPALITY OF SOUTH HURON BEING PIN 412660040

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: TBD

Affected Pipeline/Railway Companies: TBD
Railway/Pipeline Approval Date:

Consultations with Third Party Encumberancers Required: No

Unopened Road Allowance: No

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

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

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 KS	\$			

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. [NOTE – INSERT FULL LEGAL NAME OF TRANSFEROR] (the "**Transferor**") is the owner in fee simple and in possession of • (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 • DOLLARS (\$•.) 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 • Concession •, 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 _____, 2012.

HYDRO ONE NETWORKS INC.

Generator Customer Connection and Cost Recovery Agreement CPA V2013-2

Per: _____
Name: _____
Position: _____

I have authority to bind the Corporation.

Signed by the Transferor this _____ day of _____, 2012.

[NOTE - INSERT FULL LEGAL NAME OF
TRANSFEROR]

Per: _____
Name: _____
Position: _____

Per: _____
Name: _____
Position: _____

We/I have authority to bind the Corporation

[OR IF TRANSFEROR IS INDIVIDUAL]

SIGNED, SEALED AND DELIVERED

In the presence of

Signature of Witness

Transferor's Signature

(seal)

Signature of Witness

Transferor's Signature

(seal)

SIGNED, SEALED AND DELIVERED

In the presence of

Consent Signature & Release of

Transferor's Spouse, if non-owner.

Signature of Witness

____(seal)

A

CHARGEES

THE CHARGEES 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 "G": Form of Access Easement

GRANT OF EASEMENT

A. [NOTE – INSERT FULL LEGAL NAME OF TRANSFEROR] (the "Transferor") is the owner in fee simple and in possession of • (the "Lands").

IN CONSIDERATION of the payment of • DOLLARS (\$•.) paid by Hydro One Networks Inc. (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 unto Hydro One Networks Inc. (the "Transferee"), and its agents, servants and workmen, 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") a free and uninterrupted right-of-way, in common with the Transferor and all others entitled thereto, for persons, animals, plant, machinery, material, supplies, vehicles and equipment, in, over, along and upon that portion of the lands of the Transferor being Part of Lot X, Concession X, shown as Parts X & X on Plan XR-XXXX, in the Geographic Township of X, now in the City of X, subject to the following terms and conditions which the Transferee covenants and agrees to observe and be bound by:

2. Notwithstanding the rights herein granted, the Transferor may use the lands over which the said right-of-way is hereby granted for any and all purposes of its undertaking, and if at any time or times the presence or use of the right-of-way interferes with the Transferor's use or intended use of the lands, the Transferor may give the Transferees notice to cease using the right-of-way provided that the Transferor will grant an alternative right-of-way on its adjacent lands subject to the same terms and conditions as are herein contained.

3. The rights granted herein shall be subject to all leases, licenses, or any rights of use or occupation existing at the date of this indenture, and the Transferor may from time to time renew or extend them or make new ones, so long as they do not interfere unreasonably with the rights herein granted.

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. The lands to be benefitted by this Transfer of Right-of-Way are as set out in Instrument No. XXXX (XXXX Transformer Station)

[NOTE – IF TRANSFEROR ARE INDIVIDUALS ADD THE FOLLOWING CLAUSE AS #6

6. 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 , 2012.



HYDRO ONE NETWORKS INC.

Per: _____

Name:

Position:

I have authority to bind the Corporation.

Signed by the Transferor this

day of

, 2012.

**[NOTE – INSERT FULL LEGAL NAME OF
TRANSFEROR]**

Per: _____

Name:

Position:

Per: _____

Name:

Position:

We/I have authority to bind the Corporation

[OR IF TRANSFEROR IS INDIVIDUAL]

SIGNED, SEALED AND DELIVERED

In the presence of

Signature of Witness

Transferor's Signature

(seal)

Signature of Witness

Transferor's Signature

(seal)

SIGNED, SEALED AND DELIVERED

In the presence of

Signature of Witness

Consent Signature & Release of

Transferor's Spouse, if non-owner.

(seal)

Schedule "H": Form of Early Access Agreement

FORM 1 – USED FOR ACCESS TO STATION LANDS, ACCESS EASEMENT LANDS + CONNECTION TAP EASEMENT LANDS

THIS AGREEMENT made in duplicate day of 20XX
the

BETWEEN:

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

and

(hereinafter collectively
called the "Owner")
OF THE SECOND PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as **INSERT LEGAL DESCRIPTION** (the "Lands").
2. HONI will be constructing new electrical transmission facilities (the "Transmission Facilities") on a portion of the Lands more particularly described as Part • in Plan 18R-••••• attached as Schedule "A" and a new transmission station (the "Transmission Station") on a portion of the Lands more particularly described as Part • in Plan 18R-••••• attached as Schedule "B" (the "Station Lands") together with an access road (the "Access Road") to the Transmission Station on a portion of Lands more particularly shown as Parts •, • in Plan 18R-••••• attached as Schedule "C", all which is collectively referred to as the "Works".
3. The Owner has entered into an Agreement of Purchase and Sale with **INSERT NAME OF PROPONENT** with respect to the Station Lands.
4. **INSERT NAME OF PROPONENT** in turn will be transferring the Station Lands to HONI in fee simple once its purchase transaction with the Owner is complete.
5. The Owner is agreeable in allowing HONI to enter onto the Lands in order to commence construction of its Works 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 HONI to the Owner, and the respective covenants and agreements of the parties hereinafter contained and other valuable consideration, 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 with respect to the Access Road and (ii) an easement with respect to the Transmission Facilities (collectively the "Easements") with respect to the portion of the Lands referenced in Schedule "A" and Schedule "C". Such Easements shall be substantially in the form of HONI's standard form easement documents.

2. The Owner hereby grants to HONI, as of the date this Agreement, (i) the right to commence construction of the Transmission Facilities, the Access Road, and Transmission Station on the Lands, as shown in Schedules "A" "B" & "C" attached hereto; and (ii) the right to enter upon and exit from, and to pass and repass at any and all times in, over, along, upon, across, through and under the Lands as may be reasonably necessary, at all reasonable times, for HONI and its respective officers, employees, workers, permittees, servants, agents, contractors and subcontractors, with or without vehicles, supplies, machinery, plant, material and equipment for the purpose of commencing construction of the Transmission Facilities, Access Road and Transmission Station,
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 closing of the transactions contemplated by the Easements.
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.

WITNESS:

INSERT NAME(S) OR COMPANY

Signature:

Print Name of Witness

Per: _____

Name:

Title:

I have authority to bind the Corporation

WITNESS:

INSERT NAME(S) OR COMPANY

Signature:

Print Name of Witness

Per: _____

Name:

Title:

I have authority to bind the Corporation

HYDRO ONE NETWORKS INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation

Schedule "A"

INSERT SKETCH OR PLAN

Schedule "B"

INSERT SKETCH OR PLAN

Schedule "C"

INSERT SKETCH OR PLAN



Schedule "H": Form of Early Access Agreement

FORM 2 – USED FOR ACCESS EASEMENT LANDS + CONNECTION TAP EASEMENT LANDS

THIS AGREEMENT made in duplicate day of 20XX
the

BETWEEN:

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

and

INSERT NAME (hereinafter called the
"Owner") OF THE SECOND
PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as
(the "Lands").
2. HONI will be constructing new Electrical Transmission Facilities on a portion of the Lands shown highlighted in red on Schedule "A" & "B" 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" and Schedule "B" Drawings (the "Easement"); and (ii) an access easement for HONI to access the Works over a portion of the Lands shown cross-hatched and highlighted in green on the attached Schedule "A" and Schedule "B" Drawings ("Access 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 , 20XX



WITNESS:

Per: _____

Signature: _____

Name: _____

Name: _____

I have authority to bind the Company

WITNESS:

Per: _____

Signature: _____

Name: _____

Name: _____

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

Schedule "B"

INSERT SKETCH



Schedule "H": Form of Early Access Agreement

FORM 3 – USED FOR CONNECTION TAP EASEMENT LANDS

THIS AGREEMENT made in duplicate day of 20XX
the

BETWEEN:

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

and

INSERT NAME (hereinafter called the
"Owner") OF THE SECOND
PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as
(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 , 20XX



WITNESS:

Per: _____

Signature: _____

Name: _____

Name: _____

I have authority to bind the Company

WITNESS:

Per: _____

Signature: _____

Name: _____

Name: _____

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



Schedule "I": Form of Form of Agreement of Purchase and Sale

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made and entered into as of this ____ day of _____ 2012.

BETWEEN:

INSERT NAME OR COMPANY

(the "**Vendor**")
OF THE FIRST PART

AND:

HYDRO ONE NETWORKS INC.

(the "**Purchaser**")
OF THE SECOND PART

WITNESSETH THAT in consideration of the mutual covenants, agreements and payments herein provided, the parties hereto covenant and agree as follows:

1.0 OFFER

- 1.1 The Vendor, being the owner of the lands and premises legally described in Schedule "A" (the "Lands") hereby agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the terms and conditions set out in this Agreement, a portion of the Lands shown crosshatched and bolded in red on Schedule "A-1" attached hereto and being approximately ____ acres (the "Property"), upon and subject to the terms and conditions hereinafter set forth.
- 1.2 The Vendor acknowledges and understands that upon execution of this Agreement by the Vendor and the Purchaser there shall be a binding agreement of Purchase and Sale between the Purchaser and the Vendor.
- 1.3 Included in the Purchase Price is the purchase of all of the Vendor's interest in all fixtures, improvements, and appurtenances located on the Property except those listed below which are expressly excluded: NIL

2.0 PURCHASE PRICE

- 2.1 The purchase price to be paid by the Purchaser to the Vendor for the Property shall be the sum of INSERT AMOUNT (\$____.____) (the "**Purchase Price**") payable as follows;
- (a) **INSERT AMOUNT (\$____.____)** to be submitted by the Purchaser upon the execution of this Agreement by all parties by uncertified cheque payable to the Purchaser's solicitor as a deposit to be held in trust by the Purchaser's solicitor in a non-interest bearing account pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on completion (the "**Deposit**").
- (b) The balance of the Purchase Price by uncertified cheque at the time of closing in accordance with section 3.2 (b) of this Agreement.



- 2.2 The parties acknowledge that the Purchase Price is based on \$_____ per acre for _____ acres of unimproved lands and the actual area of the Property shall be confirmed by a survey prepared by the Purchaser and Purchase Price shall be adjusted accordingly to the actual acreage.

3.0 CLOSING

- 3.1 The closing of this transaction shall take place at 2:00pm on the ____th day of _____, 20__ or such earlier time or later time and at such place as shall be agreed in writing by the parties hereto (the "Closing").
- 3.2 On Closing,
- (a) Vacant possession of the Property shall be given to the Purchaser.
 - (b) Purchaser shall pay the balance of the Purchase Price to the Vendor in accordance with section 2.1 of this Agreement;
 - (c) Rents, realty taxes, local improvement charges, water and unmetered utility charges and the cost of fuel as applicable shall be apportioned and allowed to the date of completion (the day itself to be apportioned to the Purchaser).
 - (d) In conformance with subsections 221(2) and 228(4) of the *Excise Tax Act* R.S.C. 1985, c E-15, as amended ("the Act"), Hydro One Networks Inc. shall report and pay to the Receiver General, the Harmonized Sales Tax ("HST") applicable to the purchase and sale of the Property. For the purposes of this clause 3.2(d), Hydro One Networks Inc. warrants that it is a HST registrant in good standing under the Act, that its HST registration number is 870865821RT0001, and that it is acquiring the Property for use primarily in the course of its commercial activities.

4.0 REPRESENTATIONS AND WARRANTIES OF VENDOR

- 4.1 The Purchaser shall until 4:00 pm on the ____th day of _____, 20__ (the "Inspection Period") to satisfy itself with respect to all matters respecting the Property and the Purchaser's proposed use of the Property, including but not limited to its present state of repair and condition and any structures thereon, all encumbrances and all regulations and by-laws governing the Property, and the Vendor grants to the Purchaser the right to enter upon the Property and to conduct such inspections, surveys and tests, including but not limited to soil, ground-water, environmental or other inspections, tests, measurements or surveys, as the Purchaser, acting reasonably, deems necessary in this regard, provided the Purchaser takes all reasonable care in the conduct of such inspections, surveys and tests and restores the Property to its prior condition so far as reasonably possible following such inspections and tests. The Vendor assumes no responsibility for and the Purchaser shall indemnify and save harmless the Vendor from and against all claims, demands, costs, damages, expenses and liabilities whatsoever arising out of its presence on the Property or of its activities on or in connection with the Property during the Inspection Period.
- 4.2 If for any reason, the Purchaser, acting reasonably, is not satisfied with respect to such matters arising from its activities in Section 4.1, it may deliver a notice (the "Notice of Termination") to the Vendor prior to the expiry of the Inspection Period indicating that it is not satisfied with respect to such matters and desires to terminate this Agreement and release the Vendor from any further obligations. Upon delivery by the Purchaser of a Notice of Termination to the Vendor, and this Agreement shall be at an end and the Vendor shall return the Deposit to the Purchaser without deduction and neither Party shall have any further obligation to the other respecting the Agreement.

5.0 TITLE SEARCH PERIOD

- 5.1 The Purchaser shall be allowed until 4:00pm on the ___th day of ____, 20__ to investigate title to the Property at its own expense (the "Title Search Period"), to satisfy itself that there are no outstanding encumbrances, or liens save and except those listed in Schedule "B" attached hereto and until the earlier of: (i) thirty (30) days from the later of the last date of the title search period or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five (5) days prior to completion, to satisfy itself that there are no outstanding work orders or deficiency notices affecting the property. Vendor hereby consents to the Municipality or other governmental agencies releasing to the Purchaser details of all outstanding work orders affecting the Property and the Vendor agrees to execute and deliver such further authorizations in this regard as Purchaser may reasonably require.
- 5.2 Provided that the title to the Property is good and free from all registered restrictions, charges, liens and encumbrances except those listed in Schedule "B" attached hereto, if within the Title Search Period, any valid objection to title is made by the Purchaser in writing to the Vendor thereof, and which the Vendor shall be unwilling or unable to remove and which the Purchaser will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and the Deposit shall be returned to the Purchaser, without deduction, and the Vendor shall not be liable for any costs or damages and the Vendor and the Purchaser shall be released from all obligations hereunder, and the Vendor shall also be released from all obligations under this Agreement, save and except those covenants of the Purchaser expressly stated to survive Closing or other termination of this Agreement. Save as to any valid objection to title made in accordance with this Agreement and within the Title Search Period, and except for any objection going to the root of title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.
- 5.3 The Vendor and Purchaser agree that there is no condition, express, or implied, representation or warranty of any kind that the future intended use of the Property by the Purchaser is or will be lawful except as may be specifically stipulated elsewhere in this Agreement.
- 5.4 The Purchaser shall, at its expense, arrange for the preparation of the reference plan for the Property. In the event that the reference plan has not been registered against title to the Property by Closing, then the date for Closing shall be extended.

6.0 REPRESENTATIONS AND WARRANTIES OF PURCHASER

- 6.1 Purchaser shall, at its own cost, forthwith make such investigation as the Purchaser deems appropriate of the Property and Vendor's title as provided for in this Agreement and shall notify the Vendor of any objection to title, together with a complete copy of any documents and other material information related thereto prior to the expiry of the Inspection Period and Title Search Period.

7.0 INSURANCE

- 7.1 Until the completion of the sale, all buildings on the property shall be and remain at the risk of the Vendor and the Vendor shall hold all insurance policies and the proceeds thereof in trust for the parties as their interests may appear. In the event of substantial damage, the Purchaser may either (a) terminate this Agreement on written notice to the Vendor, at the earlier of five (5) business days of receiving notification of such damage, or prior to Closing, and the Deposit and accrued interest shall be returned to the Purchaser without deduction; or (b) take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on Closing.

8.0 RESTRICTIONS AND LIMITATIONS

- 8.1 This Agreement shall be effective to create an interest in the Property only if the applicable subdivision control provisions of the Planning Act, R.S.O. 1990, as amended, are complied with by the Vendor prior to Closing. The Vendor shall forthwith make any application to the local Committee of Adjustment or Land Division Committee for any consent that may be required pursuant to the Planning Act. In the event that any such application for consent is denied, or any condition imposed by such body is unacceptable to the Vendor, this Agreement shall be terminated and the Deposit and accrued interest returned to the Purchaser without deduction.

9.0 ADDITIONAL PROVISIONS

- 9.1 The Transfer/Deed of Land (the "**Transfer**"), save for Land Transfer Tax Affidavits, shall be prepared in registrable form by the Vendor, and the Purchaser covenants at its cost to register the Transfer on Closing. If requested by Purchaser, Vendor covenants that the Transfer Deed to be delivered on completion shall contain the statements contemplated by s. 50(22) of the Planning Act, R.S.O. 1990. If requested by Purchaser, the Vendor covenants that the Transfer Deed to be delivered on completion shall contain the statements contemplated by s. 50(22) of the Planning Act, R.S.O. 1990.
- 9.2 Except as otherwise provided herein, each Party shall be responsible to pay its own taxes, legal costs, and the cost of preparation and registration of its own documents
- 9.3 Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties or by their respective solicitors who are specifically authorized in that regard.
- 9.4 Any tender of documents or money hereunder may be made upon the Parties or their respective solicitors on the Closing day. Money may be tendered by bank draft or uncertified cheque.
- 9.5 Where this Agreement requires notice to be delivered by one party to the other, such notice shall be given in writing and delivered either personally, or by pre-paid registered post or by facsimile, by the party wishing to give such notice, or by the solicitor acting for such party, to the other party or to the solicitor acting for the other party at the addresses noted below:

To: Vendor INSERT NAME OR COMPANY
ADDRESS

Phone:

To: Purchaser

Hydro One Networks Inc.
Real Estate Services
1800 Main Street East
Milton, ON
L9T 7S3

Courier Address: 1800 Main Street East
Milton, Ontario
L9T 2X8

Facsimile No: 905-878-8356
Phone: 416-420-4830
Attention: Rob Thomson

Such notice shall be deemed to have been given, in the case of personal delivery, on the date of delivery, and, where given by registered post, on the third business day following the posting thereof, and if sent by

facsimile, the date of delivery shall be deemed to be the date of transmission if transmission occurs prior to 4:00 p.m. (Toronto time) on a business day and on the business day next following the date of transmission in any other case. It is understood that in the event of a threatened or actual postal disruption in the postal service in the postal area through which such notice must be sent, notice must be given personally as aforesaid or by facsimile, in which case notice shall be deemed to have been given as set out above.

- 9.6 The Parties acknowledge that there are no covenants, representations, warranties, agreements or conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement and that this Agreement and all Schedules hereto constitute the entire agreement between the parties and may not be modified except as expressly agreed between the Vendor and Purchaser in writing.
- 9.7 Should any provision or provisions of this agreement be declared illegal or unenforceable, it or they shall be considered separate and severable from the Agreement and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.
- 9.8 No act or omission or delay in exercising any right or enforcing any term, covenant or agreement to be performed under this Agreement shall impair such right or be construed as to be a waiver of any default or acquiescence in such failure to perform, unless such waiver shall be given or acknowledged in writing.
- 9.9 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 9.10 This Agreement shall constitute the entire Agreement between the Purchaser and Vendor and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing. This Agreement shall be read with all changes of gender or number required by the context.
- 9.11 This Agreement and everything herein contained shall operate to the benefit of, and be binding upon, the respective heirs, successors, permitted assigns and other legal representatives, as the case may be, of each of the Parties hereto.
- 9.12 The Vendor warrants that spousal consent is not necessary to this transaction under the provision of the *Family Law Act*, R.S.O. 1990 unless the Vendor's spouse has executed the consent hereinafter provided.
- 9.13 The Vendor represents that he is not a non-resident for the purposes of section 116 of the *Income Tax Act*, Canada,
- 9.14 Where each of the Vendor and the Purchaser retain a solicitor to complete this Agreement and where the transaction contemplated herein will be completed by electronic registration pursuant to Part 111 of the Land Registration Reform Act, R.S.O. 1990, and any amendments thereto, the Vendor and the Purchaser acknowledge and agree that the delivery of documents and the release thereof to the Vendor and the Purchaser may, at the solicitor's discretion; (a) not occur contemporaneously with the registration of the Transfer/Deed of Land (and other registrable) documentation), and (b) be subject to conditions whereby the solicitor receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the solicitors.

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- 9.15 The Purchaser agrees that it shall pay the Vendor's reasonable legal costs with respect to the Closing contemplated in this Agreement of Purchase and Sale, up to a maximum of \$1,500.00 including disbursements and HST.
- 9.16 This Agreement and any right or interest transferred hereby may be registered on title to the Property.
- 9.17 The provisions of the attached Schedules "A", "A-1" and "B" shall form part of this Agreement as if set out herein.
- 9.18 The Vendor and Purchaser agree to take all necessary precautions to maintain the confidentiality of the terms and conditions contained herein. The Vendor acknowledges that this Agreement and any information or documents that are provided to the Purchaser may be released pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended. This acknowledgment shall not be construed as a waiver of any right to object to the release of this Agreement or of any information or documents.

IN WITNESS WHEREOF the Parties have hereunto set their respective hands and seals to this Agreement of Purchase and Sale.

SIGNED, SEALED AND DELIVERED

In the presence of

) INSERT COMPANY NAME (if applicable)

)

)

)

)

Print Name of Witness

NAME (print):

TITLE (if applicable):

(seal)

If company, insert "I have authority to bind the Corporation"

SIGNED, SEALED AND DELIVERED

In the presence of

) Consent Signature & Release of

) Vendor's Spouse, if non-owner.

)

)

)

Print Name of Witness

Name:

(seal)

HYDRO ONE NETWORKS INC.

Per: _____

Name: Rob Thomson

Title: Acquisition and Special Projects Supervisor

I have authority to bind the Corporation

SCHEDULE "A" (LEGAL DESCRIPTION OF LANDS)

INSERT LEGAL DESCRIPTION

SCHEDULE "A-1" (SKETCH OF PROPERTY)

INSERT SKETCH OR PLAN



SCHEDULE "B" (List of Permitted Encumbrances)
NIL



Standard Terms and Conditions
Generator Customer Connection and Cost Recovery Agreement

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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.

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"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



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Generator Customer Connection and Cost Recovery Agreement**

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- 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

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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

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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 Generator 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:

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- (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

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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



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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 "T" 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 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



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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

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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.

