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April 1, 2021

Delivered by Email & RESS

Ms. Christine Long
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0249/EB-2018-0219 – PUC Distribution Inc. (“PUC Distribution”)
SSG ICM Application
Updated Evidence – Amended NRCAN Agreement and Extension Date**

PUC Distribution is writing to inform the OEB and parties to this proceeding that PUC Distribution has received updated documents from Natural Resources Canada (“NRCAN”) related to the Contribution Agreement between NRCAN and PUC Distribution as follows:

1. Amendment No. 2 to the Repayable Contribution Agreement between NRCAN and PUC Distribution dated February 21, 2021; and
2. Letter from NRCAN dated March 31, 2021 extending Ontario Energy Board (“OEB”) approval date to May 31, 2021 in the Contribution Agreement.

The OEB has not yet issued its decision and order in this proceeding.

Rule 11.02 of the OEB’s *Rules of Practice and Procedure* states: Where a party becomes aware of new information that constitutes a material change to evidence already before the OEB before the decision or order is issued, the party shall serve and file appropriate amendments to the evidentiary record, or serve and file the new information.

PUC Distribution is providing these documents as Appendix A to this letter to update the evidentiary record.

PUC Distribution regrets the delay in filing Amendment No. 2. It was an entirely inadvertent oversight.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:



Flora Ho

/Encl.

cc: Intervenors of record in EB-2020-0249/2018-0219

APPENDIX A – UPDATE DOCUMENTS FROM NRCAN

DEPARTMENT OF NATURAL RESOURCES
RENEWABLE ENERGY AND SMART GRID DEPLOYMENT PROGRAMS
SMART GRID DEPLOYMENT PROGRAM
AMENDMENT NO. 2 TO THE REPAYABLE CONTRIBUTION AGREEMENT

THIS AMENDING AGREEMENT is made in duplicate

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
("Canada"), represented by the Minister of Natural Resources,

AND:

PUC DISTRIBUTION INC., a corporation, incorporated under the laws of Ontario (the
"Proponent").

WHEREAS Canada and the Proponent entered into a Contribution Agreement signed by Canada on December 19, 2018, and by the Proponent on December 11, 2018 (the Agreement); and amended by Canada on December 18, 2019, and by the Proponent on November 18, 2019 (Amendment #1);

WHEREAS the Proponent is requesting an amendment to reallocate the Contribution amounts in whole or in part from one Fiscal Year to another, update the Eligible Expenditure amounts, reduce the mandatory holdback to a percentage based on the current Project risk and extend the Project Completion Date;

AND WHEREAS Canada and the Proponent wish to amend the Agreement;

NOW, THEREFORE, Canada and the Proponent agree as follows:

1. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

"Agreement" means this Agreement and the attached Schedules A, B, C, D and E;

2. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

"Claim Period" means the period to which each payment claim pertains as set out in Schedule C (Reports) Section 1;

3. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

"Eligible Expenditure Period" means the period starting **September 5, 2018** to **March 31, 2023**;

4. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

"Incurred and Paid" means, in relation to an Eligible Expenditure, an Eligible Expenditure that the Proponent has paid for;

5. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

"Project" means the Project described in Schedule A (Description of the Project);

6. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

"Proposal" means a written Proposal signed by the Proponent including at least a background,

purpose, work description, results expected, and a budget, is accepted by the Minister for the Project, and attached as Schedule E (Proposal);

7. The following definition in Paragraph 1.1 of the Agreement is revoked and replaced by the following:

“Total Project Costs” means the Contribution and other verifiable cash or in-kind contributions either received or contributed by the Proponent and directly attributable to the Project from June 13, 2018 to March 31, 2023.

8. Article 1 (INTERPRETATION) definitions shall include:

“COVID-19 Emergency Period” means the period starting from **March 16, 2020** and ending on the day immediately following when all the provinces and territories lift the COVID-19 related emergency measures;

“Electronic Signature” means a signature that consists of one or more letters, characters, numbers or other symbols in digital form incorporated in, attached to or associated with an electronic version of this Agreement.

9. Paragraph 1.2 of the Agreement is revoked and replaced by the following:

1.2 The following schedules are attached to and made part of this Agreement:

- a) Schedule A (Description of the Project);
- b) Schedule B (Budget and Eligible Expenditures);
- c) Schedule C (Reports);
- d) Schedule D (Certification of Eligible Expenditures Incurred and Paid); and
- e) Schedule E (Proposal).

10. Article 3 (COMING INTO FORCE) of the Agreement is revoked and replaced by the following:

3. DURATION OF THE AGREEMENT

3.1 This Agreement comes into force when signed by the Parties.

3.2 Except as otherwise provided in the articles below, this Agreement will expire on the latest of:

- a) the date the Proponent has met, to the satisfaction of the Minister, all the repayment obligations under this Agreement; or
- b) the date on which all amounts owed by one Party to the other Party under this Agreement have been paid in full.

3.3 The Proponent undertakes to receive approval from the Ontario Energy Board for the required Rate Adjustment by March 31, 2021.

3.4 Notwithstanding Article 12 (Default) of this Agreement, Canada reserves the right to terminate this Agreement upon thirty (30) days' written notice to the Proponent in the event that the Proponent has not complied with paragraph 3.3 above. Upon thirty (30) days of this Agreement's termination, in accordance with this paragraph, the proponent shall reimburse the Minister the amount of the Contribution disbursed. Any such amount is a debt due to Her Majesty in Right of Canada and is recoverable as such.

3.5 The following clauses shall survive the expiration of this Agreement for an additional three (3) years:

- a) *Accounts and Audits Article*;
- b) *Intellectual Property Article*;
- c) *Indemnity Article*;
- d) *Default Article*;
- e) *Reports Article*;
- f) *Confidentiality Article*; and
- g) *Dispute Resolution Article*.

11. Paragraph 4.2 of the Agreement is revoked and replaced by the following:

4.2 The Proponent shall complete the Project by March 31, 2023 unless terminated earlier pursuant to the provisions of this Agreement.

12. Article 5 (ENVIRONMENT) of the Agreement is revoked and replaced by the following:

5. IMPACT ASSESSMENT

5.1 The Proponent represents and warrants that the Project is not a “designated project” nor a “project” according to the *Canadian Environmental Assessment Act, 2012* or the *Impact Assessment Act*.

5.2 If, within the Eligible Expenditure Period, the Project becomes a “designated project” or a “project” carried out on federal land or outside of Canada according to the *Impact Assessment Act*, the Parties agree that Canada’s obligations under this Agreement will be suspended until:

- a) In the case of a “designated project”:
 - i) the Impact Assessment Agency of Canada makes a decision that no assessment of the “designated project” is required and posts that decision; or
 - ii) the decision statement with respect to the “designated project” that is issued to the Proponent sets out that the effects that are indicated in the report with respect to the impact assessment of the Project are in the public interest.
- b) In the case of a “project”:
 - i) a determination indicating that the carrying out of the Project is not likely to cause significant adverse environmental effects by the Minister or another authority referred in the Impact Assessment Act; or
 - ii) if the carrying out of the Project is likely to cause significant adverse environmental effects, a decision of the Governor in Council indicates that those effects are justified in the circumstances.

5.3 It is understood that, in the event that the Project becomes a “designated project” or a “project” as defined in Paragraph 5.1 above, the Minister has no obligation to request a decision by the Governor in Council, and may, by giving notice in writing to the Proponent, terminate this Agreement with immediate effect. Following such termination, no further Contribution will be disbursed under this Agreement, and the Minister will not be liable for any direct, indirect, consequential, exemplary, or punitive damages, regardless of the form of action, whether in contract, tort, or extra-contractual liability, or otherwise, arising from the termination.

5.4 Canada shall withhold a portion of the Eligible Expenditures Incurred as from any period during which the granting of any environmental permit required for the continuation of any Project activities outlined in the Proposal is pending to when the Proponent has provided Canada with evidence that appropriate provincial authorities have granted the required permit.

13. Paragraph 6.2 of the Agreement is revoked and replaced by the following:

6.2 The Fiscal Year allocations for the Contribution are as follows:

2018-2019	Six Million Six Hundred Fifty Three Thousand Dollars (\$6,653,000)
2019-2020	One Million Dollars (\$1,000,000)
2020-2021	Five Hundred Thousand Dollars (\$500,000)
2021-2022	One Million Seven Hundred Seventy Three Thousand Five Hundred Dollars (\$1,773,500)
2022-2023	Seven Hundred Thousand Dollars (\$700,000)

Any reallocation of the Contribution amounts in whole or in part from one Fiscal Year to another shall require a written amendment signed by the Parties.

14. Paragraph 6.3 of the Agreement is revoked and replaced by the following:

6.3 In order to be eligible to receive payment for any remaining portion of the Contribution as described herein, the Proponent must submit its final claim for payment on or before June 30, 2023.

15. Paragraph 7.3 of the Agreement is revoked and replaced by the following:

7.3 The Minister shall withhold fifteen percent (15%) from each payment until the Proponent has:

- a) completed the Project to the satisfaction of the Minister;
- b) submitted a final report documenting the completion of the Project as set out in Schedule C (Reports) and the Minister has approved said report;
- c) certified, in the manner set out in Schedule D (Certification of Eligible Expenditures Incurred and Paid), that the Proponent has Incurred and Paid all claims for the payment of Eligible Expenditures of the Project;
- d) submitted and the Minister has received and approved a final statement of Eligible Expenditures Incurred and Paid in respect of the Project; and
- e) completed a technical performance report as set out in Schedule C (Reports) and the Minister has approved said report.

16. Paragraph 9.1 of the Agreement is revoked and replaced by the following:

9.1 Prior to the Completion Date and for three (3) years after the termination of this Agreement, as described in the *Duration of the Agreement Article*, the Proponent shall, at its own expense:

- a) keep proper and accurate books, accounts, and records of its revenue received and expenses Incurred and Paid in connection with the Project and shall keep its invoices, receipts, and vouchers relating thereto;
- b) keep proper and accurate records relating to the environmental impact (if any) of the Project;
- c) keep proper and accurate records of all data, analyses, and other scientific or technical assessments and reports, and any and all information relating to the outputs and outcomes of the Project;
- d) on demand, make available to the Minister such books, accounts, records, invoices, receipts, and vouchers referred to above and permit the Minister to examine and audit and take copies and extracts from such documents;
- e) allow the Minister, at the Minister's own expense and discretion, to conduct a technical audit to verify that the proposed measures outlined in Schedule A (Description of the Project) were implemented in accordance with this Agreement; and
- f) allow the Minister, at the Minister's own expense and discretion, to conduct an audit to verify the accuracy of reports submitted under Schedule C (Reports).

17. Paragraph 12.1 of the Agreement is revoked and replaced by the following:

12.1 The Minister may declare that an event or default has occurred if:

- a) the Proponent becomes insolvent or is adjusted or declared bankrupt or if it goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- b) an order is made which is not being contested or appealed by the Proponent or a resolution is passed for the winding up of the Proponent or it is dissolved;
- c) in the opinion of the Minister, there has been a misrepresentation or breach of warranty under the *Representations and Warranties Articles*;
- d) in the opinion of the Minister, acting reasonably, a material adverse change in risk affecting the fulfilment of the terms and conditions of this Agreement has occurred;
- e) any term, condition or undertaking in this Agreement is not complied with, including, without limitation, any of those in the *Conduct of Project Article* or the *Impact Assessment Article*, and any such defect has not been cured by or remedied by the Proponent within **thirty (30)** days of written notice of such defect having been provided to the Proponent; or,
- f) the Proponent neglects or fails to pay the Minister any amount due in accordance with this Agreement.

For greater clarity, all above remedies are cumulative.

18. Article 13 (ACCESS) of the Agreement is revoked and replaced by the following:

13. ACCESS

13.1 The Proponent shall provide the Minister or Minister's representatives, during the Eligible Expenditure Period and for a period of five (5) years of the Completion Date, reasonable access to any premises where the Project takes place to assess the Project's progress or any element thereof.

19. Article 15 (DISPOSITION OF ASSETS) of the Agreement is revoked and replaced by the following:

15. DISPOSITION OF ASSETS

15.1 If, prior to the Completion Date and for five (5) years thereafter, the Proponent sells, leases or otherwise disposes of any Fixed Asset excluding Intellectual Property, where the cost of the Fixed Asset is part of the Eligible Expenditures under the Project to which Canada has contributed under this Agreement, and where the proceeds of the sale, lease or other disposition are not applied to acquire assets in replacement of the Fixed Asset, the Proponent shall immediately notify the Minister in writing of such sale, lease or disposition and, if the Minister so requires, the Proponent shall share with Canada the proceeds of the sale, lease or any other disposition in the same ratio as that of Canada's Contribution to the purchase of the Fixed Asset by the Proponent, except that Canada's share shall not exceed the Contribution.

20. Article 33 (COUNTERPART SIGNATURE) of the Agreement is revoked and replaced by the following:

33. COUNTERPART SIGNATURE

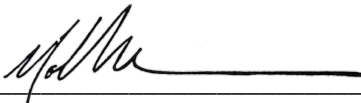
33.1 This Agreement (and any amendments) may be signed in counterparts including facsimile, PDF and other electronic copies, each of which when taken together, will constitute one instrument; and during the COVID-19 Emergency Period, an Electronic Signature. For greater clarity, the Electronic Signature occurring during the COVID-19 Emergency Period, shall be reputed, to constitute, much like wet ink, the best evidence available of consent of the Parties to the terms of this Agreement.

21. Schedule A (Statement of Work) is revoked and replaced by the attached Schedule A (Description of the Project).
22. Schedule B (Budget and Eligible Expenditures) is revoked and replaced by the attached Schedule B (Budget and Eligible Expenditures).
23. Schedule C (Reports) is revoked and replaced by the attached Schedule C (Reports).
24. Schedule D (Certification of Eligible Expenditures Incurred and Paid) is revoked and replaced by the attached Schedule D (Certification of Eligible Expenditures Incurred and Paid).
25. The Agreement is amended to include the following attached Schedule E (Proposal):
Schedule E (Proposal)
26. All other terms and conditions of the Agreement remain in full force and in effect.
27. This Amending Agreement comes into force when signed by the Parties.

IN WITNESS WHEREOF this Amending Agreement has been executed on behalf of **Her Majesty the Queen in right of Canada** by an officer duly authorized by the Minister of Natural Resources and on behalf of the **Proponent**, by an officer duly authorized on its behalf.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA


21 Feb 2021
Date



Mollie Johnson
Assistant Deputy Minister
Low Carbon Energy Sector

PUC DISTRIBUTION INC.

December 16, 2020
Date



Robert Brewer
President, CEO

SCHEDULE A

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

And

PUC DISTRIBUTION INC.

DESCRIPTION OF THE PROJECT

Project Title:	Sault Smart Grid
PROJECT OBJECTIVE:	The objective of this Project is to deploy a community-scale smart grid (Sault Smart Grid) in Sault Ste. Marie, Ontario. The Project will modernize the utility’s distribution system infrastructure and deliver customer and community benefits improve the reliability, efficiency, and resiliency of the local grid; provide a platform for renewable energy applications; and reduce greenhouse gas emissions. This Project is intended to cover 100% of the PUC service area while remaining bill neutral for customers.
PROJECT DESCRIPTION:	<p>The project will modernize the utility’s distribution system infrastructure by deploying new, state-of-the-art smart grid technologies and leveraging existing smart meter AMI infrastructure. The key components of the Project are:</p> <ul style="list-style-type: none">• Advanced Distribution Management System (ADMS);• Outage Management System (OMS);• Fault Detection Isolation Restoration (FDIR)• Volt/VAR Management (VVM); and• Auto-transfer applications. <p>Although initially envisioned to be financed as a Public-Private-Partnership (P3) contract in order to minimize risk and lower cost to the Proponent regulatory input has lead to the Proponent electing to utilize a traditional Engineer, Procure Construct (EPC) through a request for proposal (RFP) approach.</p>
BENEFITS:	<p><u>Benefits to Canada/Canadians</u> This Project will result in reduced electricity costs to consumers from more efficient usage, as well as increased reliability and enhanced power quality. Additionally, the region will benefit from reduced load on the grid. Customers will also benefit from an enhanced utility energy service offering resulting from smart grid implementation. Finally the project will result in job creation and new economic opportunities for the community, as the improvements in grid quality are anticipated to be attractive to a range of industries associated with Canada’s clean energy sector (eg. electronics manufacturing, e-commerce, telecommunication services and data centres.).</p> <p><u>Benefits to Stakeholders:</u> Stakeholders will benefit from a reduction in distribution, transmission and generation costs, as well as a more reliable and resilient grid. This will enable utilities to broaden their service offering to clients, and ensure that the community’s grid is well-positioned to accommodate new distributed energy resources including renewables, to support smart cities and community economic development.</p>

PROJECT TASKS:

Task Number	Task	Description	Outputs
1	Engineering and design (Complete by Sept. 2021).	<ul style="list-style-type: none"> - Design system integration (IVR, CIS, CYME, AMI) - Design the following: OMS system; upgrade to Survalent SCADA; lab facility; site specific DA design; field area network substation communication - Determine Project technical and IT requirements - Initiate protocol for required permits - Identify and prepare training for business process and organizational changes 	<ul style="list-style-type: none"> - Project design and engineering complete - Local municipal permits obtained - Business process changes identified; train-the-trainer materials complete
2	Procurement (Complete by Sept. 2021)	<ul style="list-style-type: none"> - Purchase major materials and equipment including for the following systems: ADMS/OMS;VVO;RF;DA;I VR; Server hardware - Purchase minor materials and equipment - Stage major systems and test using lab facilities - Prepare equipment for field - Perform training identified in training plan 	<ul style="list-style-type: none"> - Major and minor materials and equipment procured and verified - Lab testing plan complete - Training logs delivered
3	Construction & installation (Complete by March 2023)	<ul style="list-style-type: none"> - Undertake PUC Line construction - Construct test system - Perform cut-overs from test to development system, and from development to production system - Perform ene-to-end testing - Go live for IVR system. - Install communications equipment at substations & in field - Install field DA equipment 	<ul style="list-style-type: none"> - Cut-over plans complete - Testing including field testing plans complete - Go-live plan complete
4	Project Management (Complete by March 2023)	<ul style="list-style-type: none"> - Project management and oversight provided by PUC Services, including general project management, change orders and relationships between EPC and vendors - PUC to ensure project coordination between PUC Distribution system operations and EPC contractor. 	<ul style="list-style-type: none"> - Status reports provided - Financial statements provided

PERFORMANCE INFORMATION

Key Performance Indicators:	
1. GHG emissions reductions	Reduction in greenhouse gas emissions Reduced energy losses from GHG emitting supply (kWh)
2. Improved asset utilization and increased efficiency	Reduction in peak demand on utility assets Reduction in energy losses \$ savings from deferred system upgrades \$ energy savings to customers
3. Increased reliability and resiliency	# events Fault Location, Isolation and Restoration responded to # customer calls/complaints avoided due to fewer outages \$ revenue loss avoided from outages avoided

SCHEDULE B

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

And

PUC DISTRIBUTION INC.

BUDGET AND ELIGIBLE EXPENDITURES

- Subject to the limitations set out in the *Contributions Article*, Eligible Expenditures shall be approved in accordance with Treasury Board Guidelines associated with the execution of the various activities as described in Schedule A (Description of the Project).

Approved Budget (\$)	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL (\$)
Canada (NRCan)	\$ 6,653,000	\$ 1,000,000	\$ 500,000	\$ 1,773,500	\$ 700,000	\$10,626,500
ELIGIBLE EXPENDITURES						
Professional, Scientific and Contracting	\$ 13,293,104	\$ 1,272,604	\$ 600,000	\$ 15,000,000	\$ 12,340,292	\$42,506,000
Total by Fiscal Year:	\$13,293,104	\$1,272,604	\$600,000	\$15,000,000	\$12,340,292	
Total Eligible Expenditures						\$42,506,000
INELIGIBLE COSTS						
INELIGIBLE EXPENDITURES**						
Incurred before Eligible Expenditures Period (between June 13, 2018 and August 28, 2018)						\$300,000
Total Ineligible Expenditures						\$300,000
IN-KIND COSTS						
Total In-Kind Costs						\$0
Total Ineligible Costs						\$300,000
TOTAL PROJECT COSTS						\$42,806,000

Source of Contributions:	Percentage (%)	Cash (\$)	In-Kind (\$)	Total (\$)
Canada (NRCan - Smart Grid Deployment Program)	25%	10,626,500	N/A	10,626,500
The Proponent	75%	32,179,500	0	32,179,500
TOTAL	100%	\$42,806,000	\$0	\$42,806,000

NOTE: the following limitations apply to the approved budget above:

- In accordance with the departmental GST/PST/HST certification form, the reimbursable Provincial Sales Tax, the Goods and Services Tax and the Harmonized Sales Tax costs must be net of any tax rebate to which the Proponent is entitled.

b) Ineligible costs, such as the reimbursable portion of Federal and Provincial Taxes, and expenditures incurred before or after the Eligible Expenditure Period, are considered towards Total Project Costs; however, they are not eligible for reimbursement.

c) In-kind costs are those contributions of goods or services provided by the Proponent or other contributors that are considered towards Total Project Costs; however, they are not eligible for reimbursement.

d) Non-permissible costs, which cannot count toward Total Project Costs under the Program, include:

- a. Costs incurred before or after the Total Project Costs period;
- b. Land acquisition costs and associated real estate fees;
- c. Cost of leasing land, building and other facilities;
- d. Financing charges and interest payments on Project loans;
- e. Legal fees;
- f. Project Proposal preparation costs;
- g. Costs associated with the protection of Intellectual Property;
- h. General repair and maintenance of existing Project and related structures; and
- i. Salary benefits and incentives unrelated to the Project, like employee bonuses.

2. Notwithstanding the *Amendments Article*, provided the Contribution for any given Fiscal Year is not exceeded, the Proponent may adjust any cost allocated by Eligible Expenditure as listed above by up to twenty percent (20%) of that cost without providing notice to Canada. At the time of submitting a claim for payment, the Proponent must provide Canada with a revised budget.

The Proponent may submit a written request to Canada to make an adjustment greater than twenty percent (20%). The request must include a revised budget. This request is subject to the approval in writing by Canada's representative identified in the *Notices Article*.

SCHEDULE C

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

And

PUC DISTRIBUTION INC.

REPORTS

1. Payment of Claims:

The Proponent shall provide the following documentation when submitting each claim for payment no later than **sixty (60) days after the end of each quarter (the “Claim Period”)**, as set out in the *Method of Payment Article*:

- i) a financial report signed by the Chief Financial Officer or duly authorized officer of the organization which outlines Eligible Expenditures Incurred;
- ii) a budget for the upcoming quarter; and
- iii) an update on Project tasks that includes tasks completed and expected in the next quarter, and information about any Project related issues and how they are being addressed.

Canada will provide templates for these requirements listed above.

Subject to the terms and conditions of this Agreement, if the Proponent cannot submit a claim for payment on or before March 31 of a Fiscal Year, the Proponent shall **no later than April 5** provide the Minister with a signed statement of anticipated Eligible Expenditures Incurred up to March 31, in order for the Minister to establish a Payable at Year-End.

2. Annual Progress Reports:

The Proponent shall submit on an annual basis, at the end of each Fiscal Year, a report summarizing Project activities during the Fiscal Year together with key performance, as outlined in Schedule A (Description of the Project), that indicate how the Project has been contributing to the overall Program objectives.

The report must be provided no later than **sixty (60) days after the end of the Claim Period**. Canada will provide the Proponent with a template for this report.

3. Final Reports (Financial and Project Completion):

The Proponent shall submit, **no later than June 30, 2023**:

- i) a financial report that shall demonstrate how the Contribution was spent, including a financial declaration as to whether the Proponent received contributions (including in-kind) or payments in respect of the Project in addition to, or from sources other than, those set out in Schedule B (Budget and Eligible Expenditures);
- ii) a final narrative report to describe how its activities have contributed to the achievement of the objectives, the benefits, and the key performance indicators of the Project as described in Schedule A (Description of the Project), including the results of the Project in comparison to the original outputs and work plan, with a variance analysis; and
- iii) a certification, in the manner set out in Schedule D (Certification of Eligible Expenditures Incurred and Paid), that the claims for payment of Eligible Expenditures of the Project have been Incurred and Paid by the Proponent.

4. Post-completion Revenue Reporting:

For five (5) years following the Project Completion Date, the Proponent shall submit annually a report indicating the revenues received as a result of the Project. Where no revenue has been

received, a nil report is still required. Canada will provide the Proponent with a template for the revenue report. The Proponent shall provide this report no later than **ninety (90) days** following the anniversary of the Project Completion Date.

5. Technical Performance Report (Holdback Release):

No more than two (2) years following the Project Completion date, or the date which the Project is deemed operational, the Proponent shall provide a request for the holdback release along with a technical performance report. The report will provide the results of the three performance indicators identified in Schedule A (Description of the Project) including the greenhouse gas emissions reductions, and an explanation on the methodology for calculating each of those indicators.

SCHEDULE D

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

And

PUC DISTRIBUTION INC.

CERTIFICATION OF ELIGIBLE EXPENDITURES INCURRED AND PAID

1. Pursuant to the *Method of Payment Article* of this Agreement, the Proponent must submit, no later than **June 30, 2023**, the following certification in writing on company letterhead and signed by the duly authorized officer as follows.

“All claims for payment submitted to Canada for the reimbursement of Eligible Expenditures of the Project have been Incurred and Paid by PUC DISTRIBUTION INC. (“the Proponent”) as of the date of this certification by the undersigned and all supporting documents to this effect have been kept in our records and will be made available to the Minister upon request.”

In accordance with the Contributions Article, the Proponent, as of the date of this certification by the undersigned has reported all contributions and payments, including Total Government Funding, received by the Proponent.

“I _____ an officer PUC DISTRIBUTION INC., duly authorized on behalf of the Proponent hereby represent and warrant that the above noted declarations are true and accurate. I understand that if, in the opinion of the Minister, there has been a misrepresentation or a breach of this warranty, the Minister could place the Proponent in default of the terms, conditions or obligations of the Agreement, and may exercise the Minister’s right to terminate this Agreement, and direct the Proponent to repay forthwith all or any part of the monies paid by Canada pursuant to this Agreement.”

Date: _____

Signature: _____

Title: _____

SCHEDULE E

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

And

PUC Distribution Inc.

PROPOSAL DATED March 3, 2018.



Natural Resources
Canada

Ressources naturelles
Canada

March 31, 2021

Robert Brewer
President, CEO
PUC Distribution Inc.
500 Second Line East
Sault Ste. Marie, Ontario
P6A 6P2

Dear Robert Brewer,

Subject: GISG 3030 – SAULT SMART GRID (SSG) – Extension of date for approval from the Ontario Energy Board for the required Rate Adjustment

The *Smart Grid Deployment Program* is in receipt of Kevin D. Bell's email of March 26, 2021, where he requested the extension of the Ontario Energy Board approval date from March 31, 2019, to May 31, 2021, in the Contribution Agreement between Canada and PUC Distribution Inc. The Program has reviewed and accepts the request.

Paragraph 3.3 of the Contribution Agreement is revoked and replaced by:

3.3 The Proponent undertakes to receive approval from the Ontario Energy Board for the required Rate Adjustment by May 31, 2021.

Please keep us informed of any possible further delays. Should you have any questions, please do not hesitate to contact the Program team by email at: nrcan.sg-ri.nrcan@canada.ca.

Yours sincerely,

André Bernier
Senior Director, Renewable & Electrical Energy Division
Electricity Resources Branch
Natural Resources Canada
580 Booth St., Ottawa ON K1A 0E4

cc. Kevin D. Bell – Vice President, Business Development