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Director, Regulatory Initiatives, Compliance and Support

BY EMAIL AND RESS

January 28, 2022

Mr. Brian Hewson
Vice President, Consumer Protection
& Industry Performance
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON, M4P 1E4

Dear Mr. Hewson:

Hydro One Networks' Request for an Exemption Related to the use of Modified Connection Agreement for the Oneida Storage Project

Hydro One Networks Inc. ("Hydro One") is:

- a) notifying the Board in accordance with its Decision and Order in EB-2006-0189 of a potential material change to the CCRA template that Hydro One uses for load customers connecting to its transmission system to use for an energy storage facility. Target completion date for this agreement is March 2022 in order for Hydro One to perform the work on its transmission system for an energization currently contemplated to be in late 2023; and
- b) seeking an exemption from the Transmission System Code ("TSC") requirements in sections 4.1.1 and 4.1.2 which require a connection agreement to be in the form set out in Appendix 1 of the TSC. This contemplated agreement would be used in connecting energy storage facilities that will deliver electricity to Hydro One's transmission system such as the Onedia Energy Storage project. Target completion date for this agreement is in Q3 2023 as the facility is expected to be energized in late 2023 as Connection Agreements are traditionally executed at least 30 days prior to first connection.

1. BACKGROUND

Oneida Energy Storage LP (“the Customer”) is a joint venture between NRStor Inc. and Six Nations of the Grand River Development Corporation. The Customer is proposing to connect a 250 MW (1,000MWh) battery energy storage system in Haldimand, Ontario (the “facility”). When completed, the facility is expected to cost approximately \$500M. It represents the largest storage facility in Canada and among the largest in the world. The facility is expected to have numerous spin off benefits¹ including:

- reduce greenhouse gas emissions by 4.1M tonnes per year, which is equivalent to removing 40,000 cars of Ontario roads,
- provide over 900,000 hours of local employment, much of that in the First Nation community, and,
- allow for potential net savings up to \$760M for ratepayers.

To support the connection of the facility, Hydro One is seeking a signed Connection and Cost Recovery Agreement and will require a Transmission Connection Agreement (“TCA”) from the customer. Given the unique circumstances of this customer, being a very large storage facility that will in addition to being a large load customer will also be exporting large amounts of electricity to the transmission system (akin to a generation facility from an operational perspective when in the export mode of operation), Hydro One found it necessary to modify the currently approved forms of Transmission Connection Agreements attached to and forming part of the Transmission System Code as well as creating a form of Connection and Cost Recovery Agreement for Energy Storage Facilities modelled on the CCRA that Hydro One uses for load customers to meet the needs of the parties involved.

2. CONNECTION AND COST RECOVERY AGREEMENT FOR ENERGY STORAGE FACILITIES

In the Board’s Decision of February 12, 2008, on Hydro One’s Transmission Connection Procedures (EB-2006-0189), the Board gave the following direction to Hydro One and Great Lakes Power Limited (“GLPL”):

- For the reasons set out in the Connection Procedures Decision, the Board does not consider it necessary at this time to require that the CCRA templates be specifically approved by the Board. The Board does expect that each of Hydro One and GLPL will post their respective CCRA templates on their respective websites, and that they will notify the Board of any material changes to those templates as and when they are developed.

¹ The estimates and claims made here were provided by the proponent, NRStor Inc.

Attached to this Application, please find Hydro One's proposed Agreement Template for the Connection and Cost Recovery Agreement – Storage Provider and proposed Standard Terms and Conditions for Storage Facility Connection Projects V1 4-2021 ("**Standard Terms and Conditions**") which Hydro One drafted on the assumption that the Board accepts the treatment of energy storage facilities as a Load Customer for connection cost responsibility purposes.

Also please find attached to this application comparison documents showing the changes that Hydro One made to the CCRA (comprised of the Agreement Template and the Standard Terms and Conditions for Load Customer Connection Projects) that Hydro One was using in April 2021 for load customer connections and the enclosed Agreement Template for the Connection and Cost Recovery Agreement – Storage Provider and the associated Standard Terms and Conditions (collectively, "**Energy Storage CCRA**"). The form of Transmission Connection Agreement for Energy Storage is intended to be included as a Schedule to the Energy Storage CCRA.

3. EXEMPTION REQUEST

Hydro One is seeking an exemption from the requirements in Section 4.1 of the Transmission System Code to use the forms of the Transmission Connection Agreements appended to and forming part of the Transmission System Code, in order to use the attached proposed, modified Transmission Connection Agreement for Storage Facilities.

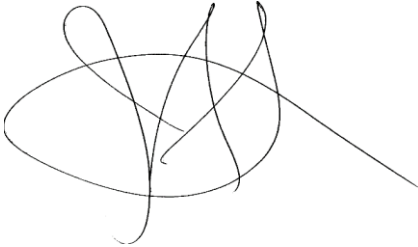
Hydro One believes that the circumstances of energy storage facilities warrant the use of a unique agreement and we believe that the proposed agreement captures the material obligations of both parties by leveraging the appropriate portions of the currently prescribed forms of transmission connection agreements.

Also please find attached to this Application the following comparison documents:

- a comparison of the form of Transmission Connection Agreement attached to the Transmission System Code as Appendix 1: Version A - Form of Connection Agreement for Load Customers to the proposed modified TCA; and
- a comparison of the form of Transmission Connection Agreement attached to the Transmission System Code as Appendix 1: Version B - Form of Connection Agreement for Generation Customers to the proposed modified TCA.

We will make ourselves available to answer any questions that you and your staff may need answered as part of this request and thank the Board in advance for its support of this important project.

Sincerely,

A handwritten signature in black ink, appearing to be 'Jeffrey Smith', with a long horizontal line extending to the right.

Jeffrey Smith
Hydro One Networks Inc.

Incl:

- The modified Energy Storage Facility Transmission Connection Agreement and Comparisons to existing forms of Transmission Connection Agreement in Appendix 1 of the Transmission System Code.
- The modified Energy Storage Facility CCRA Agreement Template and associated Terms and Conditions for Storage Facilities and comparisons to Hydro One's Load Customer CCRA Agreement Template and associated Terms and Conditions for Load Customer connections

TRANSMISSION CONNECTION AGREEMENT

Between

INSERT FULL LEGAL NAME OF STORAGE PROVIDER

And

HYDRO ONE NETWORKS INC.

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¹ This is a new name for the Schedule J that exists in the form of Connection Agreement for Load Customers.

TRANSMISSION CONNECTION AGREEMENT

This Connection Agreement is made this ____ day of _____ 202____,

BETWEEN

HYDRO ONE NETWORKS INC., a corporation duly incorporated under the laws of Ontario (the “**Transmitter**”)

AND

INSERT FULL LEGAL NAME OF STORAGE PROVIDER (the “**Customer**”)

(each a “Party” and collectively the “Parties”)

RECITALS

WHEREAS the Customer has connected or wishes to connect its facilities to the Transmitter’s transmission system.

AND WHEREAS the Transmitter has connected or has agreed to connect the Customer’s facilities to its transmission system.

AND WHEREAS in accordance with its licence and the Market Rules, the Transmitter has agreed to offer, and the Customer has agreed to accept, transmission service in relation to the Customer’s facilities.

NOW THEREFORE in consideration of the foregoing, and of the mutual covenants, agreements, terms and conditions herein contained, the Parties, intending to be legally bound, hereby agree as follows:

PART ONE **GENERAL**

1. DEFINITIONS

1.1 In this Agreement, unless the context otherwise requires:

1.1.1 “Agreement” means this connection agreement and all of the Schedules;

1.1.2. “Code” means the Transmission System Code issued by the Board and in effect at the relevant time;

1.1.3. “Confidential Information” in respect of a Party means (a) information disclosed by that Party to the other Party under this Agreement that is in its nature confidential, proprietary or commercially sensitive and (b) information derived from the information referred to in (a), but excludes information described in section 21.1;

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- 1.1.4. “Controlling Authority” in respect of a Party means the person appointed by that Party as responsible for performing, directing or authorizing changes in the condition or physical position of electrical apparatus or devices;
- 1.1.5. “Cure Period” means the period of time given to a Defaulting Party for the purposes of remedying an Event of Default, determined in accordance with section 19.2.1;
- 1.1.6. “Default Notice” has the meaning given to it in section 19.1.1;
- 1.1.7. “Defaulting Party” means a Party in relation to whom an Event of Default has occurred or is occurring;
- 1.1.8. “End of Cure Period Notice” has the meaning given to it in section 19.2.3;
- 1.1.9. “Event of Default” means a Financial Default or a Non-financial Default;
- 1.1.10. “Export Transmission Service” has the meaning given to it in the Transmitter’s Rate Order;
- 1.1.11. “Financial Default” in respect of a Party means a failure by that Party to pay an amount to the other Party when due under this Agreement, including failure to pay compensation or indemnification for loss or damage agreed to by the Parties or for amounts determined to be owed to a Party as a result of the settlement or resolution of a dispute arising under this Agreement;
- 1.1.12. “Force Majeure Event” in respect of a Party means any event or circumstance, or combination of events or circumstances: (a) that is beyond the reasonable control of that Party; (b) that adversely affects the performance by the Party of its obligations under this Agreement; and (c) the adverse effects of which could not have been foreseen and prevented, overcome, remedied or mitigated in whole or in part by the Party through the exercise of due diligence and reasonable care, provided however that the lack, insufficiency or non-availability of funds shall not constitute a Force Majeure Event;
- 1.1.13. “Insolvency/Dissolution Event” in respect of a Party, means any of the following:
- (a) in the case of a voluntary insolvency/dissolution, if the Party shall (i) apply for or consent to the appointment of a receiver, receiver/manager, interim receiver, trustee, administrator, or liquidator (or person having a similar or analogous function under the laws of any jurisdiction) of itself or of all or a substantial part of its assets; (ii) be unable, or state or admit in writing its inability or failure, to pay its debts generally as they become due; (iii) make a general assignment for the benefit of its creditors, or make or threaten to make a sale in bulk of all or a substantial part of its assets; (iv) commit an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or under any existing or future law relating to bankruptcy and insolvency; (v) commence any proceeding or other action under any existing or future law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, moratorium, winding up, liquidation, dissolution, composition, compromise or other relief with respect to it or its debts or an arrangement with creditors, or file an answer admitting

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the material allegations filed against it in any bankruptcy, insolvency, or reorganization proceeding; or (vi) take any corporate action for the purpose of effecting any of (i) to (v);

- (b) in the case of an involuntary insolvency/dissolution, if any proceeding or other action shall be instituted in any court of competent jurisdiction seeking in respect of the Party or of all or a substantial part of its assets (i) an adjudication in bankruptcy or for reorganization, dissolution, winding up or liquidation; (ii) a composition, compromise, arrangement or moratorium with its creditors, or other relief with respect to it or its debts; (iii) the appointment of a trustee, receiver, receiver/manager, interim receiver, administrator or liquidator (or person having a similar or analogous function under the laws of any jurisdiction); or (iv) any other similar relief under any existing or future law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (c) an application is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Party, except as part of a bona fide corporate reorganization; or
- (d) the Party is wound up or dissolved, except as part of a bona fide corporate reorganization, unless the notice of winding up or dissolution is discharged;

1.1.14. “Lender” in respect of a Customer means a bank or other entity whose principal business is that of a financial institution and that is financing or refinancing the Customer’s facilities;

1.1.15. “Non-defaulting Party” means a Party that is not experiencing an Event of Default;

1.1.16. “Non-financial Default” in respect of a Party means any of the following:

- (a) any breach of this Agreement by that Party, other than a breach that constitutes a Financial Default;
- (b) the licence (if any) of the Party is suspended, withdrawn or revoked or expires without being replaced; or
- (c) an Insolvency/Dissolution Event occurs in relation to the Party;

1.1.17. “Party Losses” means any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of a Party, including where occasioned by a judgment resulting from an action instituted by a third party;

1.1.18. “Rate Schedule” means the rates in effect from time to time and the terms and conditions relating to those rates that are approved by the Board in the Transmitter’s Rate Order, including rates for connection service;

1.1.19. “Schedule” means a schedule listed in section 4.2.1 and any additional schedules created by the Parties under section 4.3.1;

1.1.20. “Supporting Guarantee” has the meaning given to it in the "Glossary of Terms" of the "utility work protection code" referred to in the document entitled "Electrical Utility Safety Rules", published by the Electrical and Utilities Safety Association of Ontario Incorporated (now the

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Infrastructure Health and Safety Association) and revised January, 2009, as may be amended from time to time;

- 1.1.21. “Work Protection” means a state or condition whereby an isolated or isolated and de-energized condition has been established for work on facilities and will continue to exist, except for authorized tests, until the work relating thereto has been completed.
- 1.2. In this Agreement, unless the context otherwise requires, each of the following words and phrases shall have the meaning given to it in the Code (whether or not capitalized in the Code or in this Agreement): “assigned capacity”; “available capacity”; “Board”; “business day”; “Code revision date”; “connect”; “connection facilities”; “connection point”; “connection service”; “contracted capacity”; “circuit breaker”; “emergency”; “facilities”; “fault”; “forced outage”; “good utility practice”; “isolate”; “isolating device”; “licence”; “”; “load shedding”; “maintenance”; “outage”; “planned outage”; “promptly”; “protection system”; “protective relay”; “Rate Order”; “reliability”; “reliability organization”; “reliability standards”; “renewable generation”; “single contingency”; “site”; “transmission facilities”; “transmission service”; “transmission system” and “work”.

2. INTERPRETATION

- 2.1. Words and phrases contained in this Agreement (whether or not capitalized) that are not defined herein shall have the meanings given to them in the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A, the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, or in any regulations made under either of those Acts, as the case may be.
- 2.2. Headings are for convenience only and shall not affect the interpretation of this Agreement.
- 2.3. In this Agreement, unless the context otherwise requires:
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing a gender include any gender;
 - (c) words importing a person include: (a) an individual, (b) a company, sole proprietorship, partnership, trust, joint venture, association, corporation or other private or public body corporate; and (c) any government, government agency or body, regulatory agency or body or other body politic or collegiate;
 - (d) a reference to a person includes that person’s successors and permitted assigns;
 - (e) a reference to a Party includes any person acting on behalf of that Party;
 - (f) a reference to the Customer’s facilities is limited to such facilities as are relevant to the Customer’s connection to the Transmitter’s transmission system under this Agreement;

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- (g) a reference to a body, whether statutory or not, that ceases to exist or whose functions are transferred to another body is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (h) a reference to a document (including a statutory instrument) or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision;
- (i) the expression “including” means including without limitation, and the expressions “include”, “includes” and “included” shall be interpreted accordingly; and
- (j) where a word or phrase is defined in this Agreement, including by virtue of the application of section 1.2, or in any document referred to in section 2.1, other parts of speech and grammatical forms of the word or phrase have a corresponding meaning.

2.4. Except when an emergency is anticipated or is occurring, if the time for doing any act or omitting to do any act under this Agreement expires on a day that is not a business day, the act may be done or may be omitted to be done on the next day that is a business day.

3. INCORPORATION OF TRANSMISSION SYSTEM CODE

3.1 The Code is hereby incorporated in its entirety by reference into, and forms an integral part of, this Agreement. Unless the context otherwise requires, all references in this Agreement to “this Agreement” shall be deemed to include a reference to the Code.

3.2. Without limiting the generality of section 3.1:

- (a) the Transmitter hereby agrees to be bound by, and at all times to comply with, the Code; and
- (b) the Customer acknowledges and agrees that the Transmitter is bound at all times to comply with the Code in addition to complying with the provisions of this Agreement.

4. SCHEDULES

4.1. Incorporation of Schedules

4.1.1. The Schedules form a part of, and are hereby incorporated by reference into, this Agreement.

4.2. Schedules

4.2.1 The following are the Schedules to this Agreement:

- | | | |
|------------|---|---|
| Schedule A | - | Single Line Diagram, Description of the Customer’s Connection Point(s) and Details of Specific Operations |
| Schedule B | - | Transmission Services and Associated Charges |
| | - | Attachment B1 |
| Schedule C | - | Cure Periods for Defaults |
| Schedule D | - | Fault Levels and Modifications Requiring Transmitter Approval |

Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 01-2022]

	-	Attachment D1
Schedule E	-	General Technical Requirements
Schedule F	-	Additional Technical Requirements
Schedule F.1	-	Additional Technical Requirements for Tapped Transformer Stations Supplying Load
Schedule G	-	Protection System Requirements
Schedule H	-	Facilities Deemed Compliant and Obligation to Comply
Schedule I	-	Exchange of Information
		Attachment E - Facility Registration and Load Data
Schedule J	-	Contacts for Purposes of Notice
Schedule K	-	Special Provisions
Schedule L	-	Application of Transmission Rate Schedule
Schedule M	-	Embedded Generation, Bypass, Assigned Capacity and True-Ups
		- Attachment M1
		- Attachment M2 ²
Schedule N	-	Miscellaneous

4.3. Additional Schedules

- 4.3.1. The Parties may by mutual agreement append such additional Schedules to this Agreement as may from time to time be required. Where additional Schedules are required by virtue of the fact that technical requirements for load facilities owned by the Customer are relevant to the Customer’s connection to the Transmitter’s transmission system under this Agreement, the Parties shall use schedules in the form set out in schedules E and F of version A of the connection agreement set out in Appendix 1 of the Code.
- 4.3.2. In the event of an inconsistency or conflict between a provision of an additional Schedule referred to in section 4.3.1 and a provision of this Agreement or of a Schedule referred to in section 4.2.1, the provision of this Agreement or of the Schedule referred to in section 4.2.1 shall prevail to the extent of the inconsistency or conflict.

5. NOTICE

5.1. Method of Giving Notice and Effective Date

- 5.1.1. Subject to section 5.1.3, any notice, demand, consent, request or other communication required or permitted to be given or made under or in relation to this Agreement shall be given or made by courier or other personal form of delivery; by registered mail; by facsimile; or by electronic mail.
- 5.1.2. A notice, demand, consent, request or other communication referred to in section 5.1.1 shall be deemed to have been duly given or made as follows:
- (a) where given or made by courier or other form of personal delivery, on the date of receipt;
 - (b) where given or made by registered mail, on the sixth day following the date of mailing;

² This is a new name for the Schedule J that exists in the form of Connection Agreement for Load Customers.

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- (c) where given or made by facsimile and a complete transmission report is issued from the sender’s facsimile transmission equipment, on the day and at the time of transmission as indicated on the sender’s facsimile transmission report, if a business day or, if the transmission is on a day which is not a business day or is after 5:00 pm (addressee’s time), at 9:00 am on the following business day; and
- (d) where given or made by electronic mail, on the day and at the time when the notice, demand, consent, request or other communication is recorded by the sender’s electronic communications system as having been received at the electronic mail destination, if a business day, or if that time is after 5:00 pm (addressee’s time) or that day is not a business day, at 9:00 am on the following business day.

5.1.3. Any notice, demand, consent, request or other communication required or permitted to be given or made under Schedule A shall be given or made in accordance with the notice provisions contained in that Schedule.

5.2. Address for Notice

5.2.1. Any notice, demand, consent, request or other communication given or made under section 5.1.1 shall be addressed to the applicable representative of the Party identified in Schedule J. A Party may, upon written notice given to the other Party in accordance with section 5.1.1, from time to time change its address or representative for notice, and Schedule J shall be deemed to have been amended accordingly.

5.2.2. Any notice, demand, consent, request or other communication given or made under section 5.1.3 shall be addressed in accordance with Schedule A.

5.3. Exception

5.3.1. Sections 5.1 and 5.2 are subject to such other provisions of this Agreement that expressly require or permit notices, demands, consents, requests or other communications to be given or made by alternative means or to be addressed to other specified representatives of the Parties.

6. ASSIGNMENT

6.1. Subject to section 6.2, no Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed.

6.2. The Customer may, without the prior written consent of the Transmitter, assign by way of security only all or any part of its rights or obligations under this Agreement to a Lender. The Customer shall promptly notify the Transmitter upon making any such assignment.

7. FURTHER ASSURANCES

7.1. Each Party shall promptly execute and deliver or cause to be executed and delivered all further documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.

8. WAIVER

- 8.1. A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred or implied by any failure to act or by the delay in acting by a Party in respect of any default, breach or non-compliance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party’s rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance, whether of the same or any other nature.

9. AMENDMENTS

- 9.1. The Parties may not amend this Agreement without leave of the Board, except where and to the extent expressly permitted by this Agreement.
- 9.2. The Parties may by mutual agreement amend this Agreement to reflect changes that may from time to time be made to the Code during the term of this Agreement.
- 9.3. The Parties may, by mutual agreement unless this Agreement otherwise provides, amend the following Schedules:
- (a) Schedule A;
 - (b) Schedule B, to reflect any changes to the Transmitter’s Rate Order that may from time to time come into effect and in relation to Attachment B1;
 - (c) Schedule D, including Attachment D1;
 - (d) Schedule H, in relation to section H.1;
 - (e) Schedule I;
 - (f) Schedule J;
 - (g) Schedule M, in relation to Attachment M1 and Attachment M2; and
 - (h) any Schedule added by the Parties under section 4.3.1.
- 9.4. The Parties shall amend this Agreement in such manner as may be required by the Board.
- 9.5. Any amendment to this Agreement shall be made in writing and duly executed by the Parties.
- 9.6. In the event of an inconsistency or conflict between a provision of an amendment to a Schedule made under section 9.3, other than an amendment made under section 9.4, and a provision of this

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Agreement, the provision of this Agreement shall prevail to the extent of the inconsistency or conflict.

- 9.7. In the event of an inconsistency or conflict between a provision of an amendment to this Agreement, other than an amendment made under section 9.4, and a provision of the Code, the provision of the Code shall prevail to the extent of the inconsistency or conflict.

10. SUCCESSORS AND ASSIGNS

- 10.1. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

11. ENTIRE AGREEMENT

- 11.1. Except as expressly provided herein, this Agreement, together with the Schedules, constitutes the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the subject-matter hereof.

12. GOVERNING LAW

- 12.1. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

13. COUNTERPARTS AND ELECTRONIC SIGNATURES

- 13.1. This Agreement may be executed by the Parties in writing or via electronic signatures and in one or more in counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement. Counterparts may be delivered via fax, electronic mail (in portable document format) or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and be valid and effective for all purposes.

PART TWO
REPRESENTATIONS AND WARRANTIES

14. REPRESENTATIONS AND WARRANTIES

14.1. Customer’s Representations and Warranties

- 14.1.1. Subject to section 14.3.1, the Customer represents and warrants to the Transmitter as follows, and acknowledges and confirms that the Transmitter is relying on such representations and warranties without independent inquiry in entering into this Agreement:

- (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 this Agreement and to perform its obligations hereunder;

- (c) the execution, delivery and performance of this 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 or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Customer; (ii) any contracts or instruments to which the Customer is bound; or (iii) any laws applicable to it;
- (d) any individual executing this Agreement and any document in connection herewith, on behalf of the Customer has been duly authorized to execute this Agreement and has the full power and authority to bind the Customer;
- (e) this Agreement constitutes a legal and binding obligation on the Customer, enforceable against the Customer in accordance with its terms;
- (f) other than the facilities listed in Schedule H, its facilities meet the technical requirements of this Agreement; and
- (g) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on its business.

14.1.2. The Customer shall promptly notify the Transmitter of any circumstance that does or may result in any of the representations and warranties set forth in section 14.1.1 becoming untrue or inaccurate during the term of this Agreement.

14.2. Transmitters’ Representations and Warranties

14.2.1. Subject to section 14.3.1, the Transmitter represents and warrants to the Customer as follows, and acknowledges and confirms that the Customer is relying on such representations and warranties without independent inquiry in entering into this Agreement:

- (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 this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this 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 or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Transmitter; (ii) any contracts or instruments to which the Transmitter is bound; or (iii) any laws applicable to it;

- (d) any individual executing this Agreement, and any document in connection herewith, on behalf of the Transmitter has been duly authorized to execute this Agreement and has the full power and authority to bind the Transmitter;
- (e) this Agreement constitutes a legal and binding obligation on the Transmitter, enforceable against the Transmitter in accordance with its terms;
- (f) other than the facilities listed in Schedule H, those of its facilities that are relevant to, or may have an impact on, the Customer’s facilities meet the technical requirements of this Agreement; and
- (g) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on its business as a Transmitter.

14.2.2. The Transmitter shall promptly notify the Customer of any circumstance that does or may result in any of the representations and warranties set forth in section 14.2.1 becoming untrue or inaccurate during the term of this Agreement.

14.3. Transition

14.3.1. Where the provisions of this Agreement apply by virtue of the application of section 3.0.7 of the Code, the representations and warranties referred to in sections 14.1.1(f) and 14.2.1(f) shall be deemed to be given only once the parties have completed sections H.1.1 and H.1.2 of Schedule H.

PART THREE

LIABILITY AND FORCE MAJEURE

15. LIABILITY

- 15.1. Except as otherwise expressly provided in this Agreement, the Transmitter shall not be liable for any Party Losses of the Customer whatsoever arising out of any act or omission of the Transmitter under this Agreement unless such Party Losses result from the willful misconduct or negligence of the Transmitter.
- 15.2. Subject to section K.1 of Schedule K and except as otherwise expressly provided in this Agreement, the Customer shall not be liable for any Party Losses of the Transmitter whatsoever arising out of any act or omission of the Customer under this Agreement unless such Party Losses result from the willful misconduct or negligence of the Customer.
- 15.3. Despite sections 15.1 and 15.2 but except as otherwise expressly provided in sections 21.4, 27.13.6, 27.13.7 and 27.13.9, neither Party shall be liable to the other, whether as claims in contract or in tort or otherwise, for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential, incidental or special damages, including punitive or exemplary damages.
- 15.4. A Party shall have a duty to mitigate any Party Losses relating to any claim for indemnification

from the other Party that may be made in relation to that other Party. Nothing in this section 15.4 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

- 15.5. A Party shall give prompt notice to the other Party of any claim with respect to which indemnification is being or may be sought under this Agreement.

16. FORCE MAJEURE

16.1. No Liability Where Force Majeure Event Occurs

- 16.1.1. Subject to sections 16.1.2 to 16.1.4, a Party shall not be liable to the other Party for any failure or delay in the performance of any of its obligations under this Agreement in whole or in part to the extent that such failure or delay is due to a Force Majeure Event.

- 16.1.2. The Party invoking a Force Majeure Event shall only be excused from performance under section 16.1.1:

- (a) for so long as the Force Majeure Event continues and for such reasonable period of time thereafter as may be necessary for the Party to resume performance of the obligation; and
- (b) where and to the extent that the failure or delay in performance would not have been experienced but for such Force Majeure Event.

- 16.1.3. Nothing in this section 16 shall excuse a Party from performing any of their respective emergency-related obligations in the event of an emergency.

- 16.1.4. A Party may not invoke a Force Majeure Event unless it has given notice in accordance with section 16.2.

16.2. Obligations Where Force Majeure Event Occurs

- 16.2.1. Where a Party invokes a Force Majeure Event, it shall promptly give notice to the other Party, which notice shall include particulars of:

- (a) the nature of the Force Majeure Event and, if known, of its duration;
- (b) the effect that the Force Majeure Event is having on the Party’s performance of its obligations under this Agreement; and
- (c) the measures that the Party is taking, or proposes to take, to alleviate the impact of the Force Majeure Event.

Such notice may be given verbally, in which case the notifying Party shall as soon as practicable thereafter confirm the notice in writing.

- 16.2.2. Where a Party invokes a Force Majeure Event, it shall use all reasonable endeavours to mitigate

or alleviate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. Nothing in this section 16.2.2 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

16.2.3. Where a Party invokes a Force Majeure Event, it shall notify the other Party in writing as soon as practicable of the cessation of the Force Majeure Event and of the cessation of the effects of the Force Majeure Event on the Party’s performance of its obligations under this Agreement.

PART FOUR **DISPUTE RESOLUTION**

17. DISPUTE RESOLUTION

17.1. Exclusivity

17.1.1. Subject to sections 17.1.2 and 17.1.3:

- (a) the dispute resolution procedure set forth in this section 17 shall apply to all disputes between the Customer and the Transmitter arising under or in relation to this Agreement; and
- (b) the Parties shall comply with the procedure set out in this section 17 before taking any other civil or other proceeding in relation to the dispute.

17.1.2. Nothing in section 17.1.1 shall prevent a Party from seeking urgent or interlocutory relief from a court of competent jurisdiction in the Province of Ontario in relation to any dispute between them arising under or in relation to this Agreement.

17.1.3. The dispute resolution procedure set forth in this section 17 shall not apply:

- (a) in relation to any matter that must or may be submitted to the Board for resolution under sections 4.7.1, 6.1.8, 6.2.2, 6.2.20, 6.2.27, 6.3.5 or 6.3.11(c) or Appendix 4 of the Code or section K.2.2 of Schedule K or section 4.6 of Schedule M; or
- (b) in relation to any dispute to be resolved under the Market Rules as described in sections B.6 and B.7 of Schedule B.

17.2. Duty to Negotiate

17.2.1. Any dispute between the Customer and the Transmitter referred to in section 17.1.1 shall be referred to a designated senior representative of each of the Parties for resolution on an informal basis as quickly as possible.

17.2.2. The designated senior representatives of the Parties shall attempt in good faith to resolve the dispute within thirty days of the date on which the dispute was referred to them. The Parties may by mutual agreement extend such period.

- 17.2.3. If a dispute is settled by the designated senior representatives of the Parties, the Parties shall prepare and execute minutes setting forth the terms of the settlement. Such terms shall bind the Parties. The subject-matter of the dispute shall not thereafter be the subject of any civil or other proceeding, other than in relation to the enforcement of the terms of the settlement.
- 17.2.4. If a Party fails to comply with the terms of settlement referred to in section 17.2.3, the other Party may submit the matter to arbitration under section 17.3.1.
- 17.2.5. A copy of the minutes referred to in section 17.2.3 from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.
- 17.2.6. The Parties may not, by means of the settlement of a dispute under section 17.2.3 or section 17.5.10, agree to terms or conditions that would, if they had been the subject of an amendment to this Agreement, violate section 9.1.

17.3. Submission of Unresolved Disputes to Arbitration

- 17.3.1. If the designated senior representatives of the Parties cannot resolve the dispute within the time period set out in section 17.2.2 or where section 17.2.4 or 17.5.11 applies, either Party may submit the dispute to binding arbitration under sections 17.4 and 17.5 by notice to the other Party.

17.4. Selection of Arbitrator(s)

- 17.4.1. The Parties shall use good faith efforts to appoint a single arbitrator for purposes of the arbitration of the dispute. If the Parties fail to agree upon a single arbitrator within ten business days of the date of the notice referred to in section 17.3.1, each Party shall within five business days thereafter choose one arbitrator. The two arbitrators so chosen shall within twenty days select a third arbitrator.
- 17.4.2. Where a Party has failed to choose an arbitrator under section 17.4.1 within the time allowed, the other Party may apply to a court to appoint a single arbitrator to resolve the dispute.
- 17.4.3. No person shall be appointed as an arbitrator unless that person:
- (a) is independent of the Parties;
 - (b) has no current or past substantial business or financial relationship with either Party, except for prior arbitration; and
 - (c) is qualified by education or experience to resolve the dispute.

17.5. Arbitration Procedure

- 17.5.1 The arbitrator(s) shall provide each of the Parties with an opportunity to be heard orally and/or in writing, as may be appropriate to the nature of the dispute.
- 17.5.2. The *Arbitration Act, 1991* (Ontario) shall apply to an arbitration conducted under this section 17.
- 17.5.3. The arbitrator(s) shall make due provision for the adequate protection of Confidential Information that may be disclosed or may be required to be produced during the course of an arbitration in a manner consistent with the confidentiality obligations of section 21.
- 17.5.4. All proceedings relating to the arbitration of a dispute shall be conducted in private unless the Parties agree otherwise.
- 17.5.5. Unless the Parties otherwise agree, the arbitrator(s) shall render a decision within ninety days of the date of appointment of the last to be appointed arbitrator, and shall notify the Parties of the decision and of the reasons therefore.
- 17.5.6. The decision of the arbitrator(s) shall be final and binding on the Parties and may be enforced in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The Party against which the decision is enforced shall bear all costs and expenses reasonably incurred by the other Party in enforcing the decision.
- 17.5.7. A copy of the decision of the arbitrator(s) from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.
- 17.5.8. Subject to section 17.5.9, each Party shall be responsible for its own costs and expenses incurred in the arbitration of a dispute and for the costs and expenses of the arbitrator(s) if appointed to resolve the dispute.
- 17.5.9. The arbitrator(s) may, if the arbitrator(s) consider it just and reasonable to do so, make an award of costs against or in favour of a Party to the dispute. Such an award of costs may relate to either or both the costs and expenses of the arbitrator(s) and the costs and expenses of the Parties to the dispute.
- 17.5.10. If a dispute is settled by the Parties during the course of an arbitration, the Parties shall prepare and execute minutes setting forth the terms of the settlement. Such terms shall bind the Parties, and either Party may request that the arbitrator(s) record the settlement in the form of an award under section 36 of the *Arbitration Act, 1991* (Ontario). The subject-matter of the dispute shall not thereafter be the subject of any civil or other proceeding, other than in relation to the enforcement of the terms of the settlement.
- 17.5.11. If a Party fails to comply with the terms of settlement referred to in section 17.5.10, the other Party may submit the matter to arbitration under section 17.3.1 if the settlement has not been recorded in the form of an award under section 36 of the *Arbitration Act, 1991* (Ontario).

- 17.5.12. A copy of the minutes referred to in section 17.5.10 from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.

PART FIVE
TERM, TERMINATION AND EVENTS OF DEFAULT

18. TERM AND TERMINATION

18.1. Coming into Force

- 18.1.1. Subject to section 18.1.2, this Agreement shall come into force on the date first mentioned above and shall remain in full force and effect until terminated in accordance with this Agreement.
- 18.1.2. Where the provisions of this Agreement apply by virtue of the application of section 3.0.7 of the Code, those provisions shall come into force on the Code revision date and shall remain in full force and effect until terminated in accordance with this Agreement.

18.2. Termination Without Cause by Customer

- 18.2.1. The Customer may, if it is not then a Defaulting Party to whom a Default Notice has been delivered, terminate this Agreement at any time during the term of this Agreement by giving the Transmitter six months’ prior written notice setting out the termination date.
- 18.2.2. Where the Customer gives notice to terminate under section 18.2.1, the Transmitter shall disconnect all of the Customer’s facilities at all connection points on the termination date specified in that notice or on such other date as the Parties may agree in writing.
- 18.2.3. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 18.2.2.

18.3. Termination for Cause by Either Party

- 18.3.1. Termination of this Agreement by a Party by reason of an Event of Default occurring in relation to the other Party shall be effected in accordance with section 19.

18.4. Provisions Relating to Termination Generally

- 18.4.1. Termination of this Agreement for any reason shall not affect:
- (a) the liabilities of either Party that were incurred or arose under this Agreement prior to the time of termination; or
 - (b) that expressly apply in relation to disconnection of the Customer’s facilities following termination of this Agreement.
- 18.4.2. Without limiting the generality of section 18.4.1(a), the liabilities of the Parties referred to in that section shall include any obligations to make payments in relation to bypass compensation or true-ups provided for in Schedule M.

18.4.3. Termination of this Agreement for any reason shall be without prejudice to the right of the terminating Party to pursue all legal and equitable remedies that may be available to it, including injunctive relief.

18.5. Rights and Remedies not Exclusive

18.5.1. The rights and remedies set out in this Agreement are not intended to be exclusive but rather are cumulative and are in addition to any other right or remedy otherwise available to a Party at law or in equity.

18.5.2. Nothing in this section 18.5 shall be interpreted as affecting the limitations of liability set forth in section 15 or the obligation of a Party to comply with section 17 while this Agreement is in force.

18.6. Survival

18.6.1. Sections 18.4 and 18.5 shall survive termination of this Agreement.

19. EVENTS OF DEFAULT AND TERMINATION FOR CAUSE

19.1. Occurrence of an Event of Default

19.1.1. If an Event of Default occurs in relation to a Party, the Non-defaulting Party may, without prejudice to its other rights and remedies as provided for in this Agreement or at law or in equity, serve the Defaulting Party with a notice specifying the Event of Default that has occurred and the applicable Cure Period (“Default Notice”).

19.2. Curing Events of Default

19.2.1. Upon receipt of a Default Notice, the Defaulting Party shall be entitled to remedy the Event of Default specified in the Default Notice:

- (a) for a Financial Default, within the applicable Cure Period specified in Schedule C, calculated from the date of receipt of the Default Notice;
- (b) for a Non-financial Default that has an impact that is referred to in Schedule C, within the applicable Cure Period specified for that impact in Schedule C, calculated from the date of the receipt of the Default Notice; or
- (c) for a Non-financial Default that does not have an impact that is referred to in Schedule C, within a period of twenty business days from the date of receipt of the Default Notice.

The Parties may agree to a Cure Period that is longer than the Cure Period that would otherwise apply under section 19.2.1(a), 19.2.1(b) or 19.2.1(c).

19.2.2. During the Cure Period, the Defaulting Party shall diligently seek to remedy the Event of Default

specified in the Default Notice.

19.2.3. If the Non-defaulting Party considers that the Defaulting Party is not, during the Cure Period, diligently seeking to remedy a Non-financial Default, the Non-defaulting Party may serve the Defaulting Party with a notice (“End of Cure Period Notice”) to that effect. If, within ten business days of receiving the End of Cure Period Notice, the Defaulting Party has not commenced to diligently seek to remedy the Non-financial Default, the Cure Period shall end on the fifth business day following the date of receipt of the End of Cure Period Notice, and section 19.3.1 shall apply.

19.2.4. A Financial Default shall be considered remedied when:

- (a) the Defaulting Party has paid to the Non-defaulting Party all amounts specified in the Default Notice, together with interest calculated in accordance with section 19.2.5; and
- (b) the Defaulting Party has reimbursed the Non-defaulting Party for all costs of enforcement, recovery, or attempted enforcement or recovery, including reasonable legal costs and expenses, reasonably incurred by the Non-defaulting Party in relation to the Financial Default.

19.2.5. Amounts specified in a Default Notice given in relation to a Financial Default shall bear interest at the prime lending rate set by the Bank of Canada plus two percent from the date on which the Event of Default occurred until the date on which payment is sent to the Non-defaulting Party.

19.2.6. A Non-financial Default shall be considered remedied when:

- (a) the Event of Default has been remedied to the reasonable satisfaction of the Non-defaulting Party; and
- (b) the Defaulting Party has reimbursed the Non-defaulting Party for all costs of enforcement or recovery or attempted enforcement or recovery, including reasonable legal costs and expenses, reasonably incurred by the Non-defaulting Party in relation to the Non-financial Default.

19.3. Right to Terminate and Disconnect

19.3.1. Subject to section 19.3.2, where an Event of Default has not been remedied prior to the expiry of the applicable Cure Period, including in accordance with section 19.2.3, the Non-defaulting Party may, without prejudice to its other rights and remedies as provided for in this Agreement or at law or in equity, terminate this Agreement by written notice to the Defaulting Party. Such termination shall take effect:

- (a) in the case of a Non-financial Default, on the date on which the termination notice is delivered to the Defaulting Party; or
- (b) in the case of a Financial Default, on the date that is seven business days from the date on which the termination notice is delivered to the Defaulting Party.

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- 19.3.2. The Transmitter may not terminate this Agreement under section 19.3.1 or, subject to section 19.3.5, disconnect the Customer’s facilities under section 19.3.3 in relation to an Event of Default by the Customer where the issue of the Customer’s default has been referred to the dispute resolution process referred to in section 17 and the dispute has not been finally resolved.
- 19.3.3. The Transmitter may disconnect all of the Customer’s facilities at all applicable connection points on or after the date on which this Agreement terminates under section 19.3.1.
- 19.3.4. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 19.3.3.
- 19.3.5. Nothing in this section 19 shall prevent the Transmitter from:
- (a) disconnecting the Customer’s facilities where permitted by section 20.3.1, even if the Customer is a Defaulting Party at the relevant time; or
 - (b) immediately disconnecting the Customer’s facilities where the Transmitter reasonably believes that a Non-financial Default by the Customer is having or will have a material adverse effect on the Transmitter’s transmission system or on a third party.

19.4. Lender’s Right of Substitution

- 19.4.1. Where a Default Notice has been served on the Customer, an agent or trustee for and on behalf of a Lender (“Security Trustee”) or a receiver appointed by the Security Trustee (“Receiver”) shall upon notice to the Transmitter be entitled (but not obligated) to exercise all of the rights and obligations of the Customer under this Agreement and shall be entitled to remedy the Event of Default specified in the Default Notice within the applicable Cure Period. The Transmitter shall accept performance of the Customer’s obligations under this Agreement by the Security Trustee or Receiver in lieu of the Customer’s performance of such obligations, and will not exercise any right to terminate this Agreement under section 19.3.1 due to an Event of Default if the Security Trustee, its nominee or transferee, or the Receiver acknowledges its intention to be bound by the terms of this Agreement and such acknowledgment is received within 30 days of the date of receipt by the Customer of the Default Notice.

PART SIX
DISCONNECTION AND RECONNECTION

20. DISCONNECTION

20.1. Voluntary Permanent Disconnection by Customer

- 20.1.1. The Customer may at any time voluntarily and permanently disconnect some but not all of its facilities from the Transmitter’s transmission facilities provided that the Customer is not then a Defaulting Party to whom a Default Notice has been delivered.
- 20.1.2. The Customer shall give the Transmitter notice in writing of its intention to voluntarily disconnect some of its facilities under section 20.1.1 no less than ten days before the date on which the Customer wishes to disconnect.

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20.1.3. Where the Customer voluntarily and permanently disconnects facilities under section 20.1.1, the Customer shall be liable to make any payments in relation to bypass or true-ups provided for in Schedule M that may be triggered by such disconnection.

20.1.4. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 20.1.1.

20.2. Voluntary Temporary Disconnection by Customer and Reconnection

20.2.1. Where practical, the Customer shall notify the Transmitter prior to temporarily disconnecting its facilities from the Transmitter’s transmission system.

20.2.2. The Transmitter shall, at the Customer’s request, reconnect the Customer’s facilities to its transmission system following a voluntary temporary disconnection under section 20.2.1 once the Transmitter is reasonably satisfied that all requirements of this Agreement are met, that all payments due to be paid by the Customer under this Agreement have been made and that the Customer agrees to pay all reasonable reconnection costs charged by the Transmitter. Reconnection shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with the procedures agreed between the Parties.

20.3. Disconnection by Transmitter

20.3.1. The Transmitter may disconnect the Customer’s facilities at any connection point and at any time throughout the term of this Agreement in any of the following circumstances:

- (a) in accordance with subsection 40 (5) of the *Electricity Act, 1998*, other applicable law, the Transmitter’s licence or the Market Rules;
- (b) where required to comply with a decision or order of an arbitrator or court made or given under section 17;
- (c) during an emergency or where necessary to prevent or minimize the effects of an emergency; or
- (d) where required by an order or direction from the IESO given in accordance with the Market Rules.

20.3.2. Section 20.5 shall, to the extent applicable, apply in relation to the disconnection of the Customer’s facilities under section 20.3.1.

20.4. Reconnection after Disconnection by Transmitter

20.4.1. Where a Customer’s facilities have been disconnected under section 20.3 during an emergency, the Transmitter shall reconnect the Customer’s facilities to its transmission facilities when it is

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reasonably satisfied that the emergency has ceased and that all other requirements of this Agreement are met.

20.4.2. Where a Customer’s facilities have been disconnected under section 20.3 other than during an emergency, the Transmitter shall reconnect the Customer’s facilities to its transmission system when it is reasonably satisfied that the reason for the disconnection no longer exists, the Customer agrees to pay all reasonable reconnection costs charged by the Transmitter, and the Transmitter is reasonably satisfied of the following, where applicable:

- (a) the Customer has taken all necessary steps to prevent the circumstances that caused the disconnection from recurring and has delivered binding undertakings to the Transmitter that such circumstances shall not recur; and
- (b) any decision or order of a court or arbitrator made or given under section 17 that requires a Party to take action to ensure that such circumstances shall not recur has been implemented and/or assurances have been given to the satisfaction of the affected Party that such decision or order will be implemented.

20.4.3. Reconnection under this section 20.4 shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with the procedures agreed between the Parties.

20.5. Provisions Applicable to Disconnection Generally

20.5.1. Within 20 business days of the coming into force of this Agreement, the Parties shall develop appropriate operating and decommissioning procedures for the Customer’s facilities. The Parties shall comply with those operating and decommissioning procedures in relation to any disconnection of the Customer’s facilities.

20.5.2. Where the Customer’s facilities are disconnected, each Party shall be entitled to decommission and remove its assets associated with the connection and the applicable connection points. Each Party shall, for that purpose, provide the other Party with all necessary access to its site at all reasonable times.

20.5.3. The Customer shall continue to pay for transmission services provided up to the time of disconnection of its facilities.

20.5.4. The Customer shall pay all reasonable costs, including the costs of removing any of the Transmitter’s equipment from the Customer’s facilities, that are directly attributable to the disconnection and, where applicable, the subsequent decommissioning of the Customer’s facilities. The Transmitter shall not require the removal of the protection and control wiring within the Customer’s facilities.

20.5.5. While the Customer’s facilities are disconnected, the Transmitter shall not be required to convey electricity to or from the Customer’s facilities.

PART SEVEN
EXCHANGE AND CONFIDENTIALITY OF INFORMATION

21. EXCHANGE AND CONFIDENTIALITY OF INFORMATION

21.1. For purposes of this Agreement, “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; or
- (b) information that is, at the time of the disclosure, in the possession of the receiving Party, provided that it was lawfully obtained from a person under no obligation of confidence in relation to the information.

21.2 Subject to section 21.3, each Party shall treat all Confidential Information disclosed to it by the other Party as confidential and shall not, without the written consent of that other Party:

- (a) disclose that Confidential Information to any other person; or
- (b) use that Confidential Information for any purpose other than the purpose for which it was disclosed or another applicable purpose contemplated in this Agreement.

Where a Party, with the written consent of the other Party, discloses Confidential Information of that other Party to another person, the Party shall take such steps as may be required to ensure that the other person complies with the confidentiality provisions of this Agreement.

21.3. Nothing in section 21.2 shall prevent the disclosure of Confidential Information:

- (a) where required under this Agreement, the Market Rules or a licence;
- (b) where required by law or regulatory requirements;
- (c) where required by order of a government, government agency, regulatory body or regulatory agency having jurisdiction;
- (d) if required in connection with legal proceedings, arbitration or any expert determination relating to the subject matter of this Agreement, or for the purpose of advising a Party in relation thereto;
- (e) as may be required to enable the Transmitter to fulfill its obligations to any reliability organization;
- (f) as may be required during an emergency or to prevent or minimize the effects of an emergency; or
- (g) by the Customer to a Lender or prospective Lender.

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- 21.4. Notwithstanding any provision of section 15, a Party that breaches section 21.2 shall be liable to the other Party for any and all Party Losses of that other Party arising out of such breach.
- 21.5. The Parties acknowledge and agree that the exchange of information, including Confidential Information, under this Agreement is necessary for maintaining the reliable operation of the Transmitter’s transmission system. The Parties further agree that all information, including Confidential Information, exchanged between them shall be prepared, given and used in good faith and shall be provided in a timely and cooperative manner.
- 21.6. Each Party shall comply with its information exchange obligations as set out in this Agreement, including in Schedule I. In addition, each Party shall provide the other with such information as the other may reasonably require to enable it to perform its obligations under this Agreement.
- 21.7. Each Party shall as soon as practicable notify the other Party upon becoming aware of a material change or error in any information previously disclosed to the other Party under this Agreement and, in the case of the Customer, in any information contained in its application for connection. The Party shall provide updated or corrected information as required to ensure that information provided to the other Party is up to date and correct.

PART EIGHT
TRANSMISSION SERVICE AND OTHER CHARGES

22. TRANSMISSION SERVICE AND TRANSMISSION SERVICE CHARGES

- 22.1. The Transmitter shall provide transmission services to the Customer in accordance with this Agreement and the Transmitter’s Rate Order.
- 22.2. The Parties shall comply with their respective obligations as set out in Schedule B in relation to transmission service.
- 22.3. The Transmitter shall not charge the Customer for transmission services except in accordance with the Transmitter’s Rate Order.
- 22.4. The Customer shall pay for charges for transmission services in accordance with Schedule B.

23. OTHER CHARGES AND PAYMENTS

- 23.1. In addition to charges for transmission service, the Transmitter may require that the Customer pay the following:
- (a) amounts required to give effect to the true-up provisions of Schedule M;
 - (b) bypass compensation, where permitted by and determined in accordance with this Agreement;
 - (c) a capital contribution in relation to the construction of new or modified transmission facilities, where permitted by and determined in accordance with the Code;
 - (d) fees or charges approved by the Board, including fees or charges approved as part of the transmitter’s Board-approved connection procedures referred to in section 6.1.4 of the Code; and

- (e) any other fees, charges or costs expressly provided for in this Agreement.

PART NINE
TECHNICAL AND OPERATING REQUIREMENTS

24. FACILITY STANDARDS

- 24.1. The Transmitter shall comply with section 4.3.1 of the Code. The Customer shall ensure that its facilities:
- (a) meet all applicable requirements of the Ontario Electrical Safety Authority, subject to any exemption that may have been granted to or that may apply to the Customer;
 - (b) conform to all applicable industry standards, including those of the Canadian Standards Association, the Institute of Electrical and Electronic Engineers, the American National Standards Institute, and the International Electrotechnical Commission (IEC);
 - (c) are constructed, operated and maintained in accordance with this Agreement, the Customer’s licence, the Market Rules, all applicable reliability standards and good utility practice;
 - (d) where they are connection facilities, are made by it with due regard for the safety of the Customer’s employees and the public;
 - (e) where they are connection facilities, are made by it on a timely basis and are designed and constructed by it in accordance with the applicable provisions of the Transmitter’s Board-approved connection procedures or, in the absence of such Board-approved connection procedures, in accordance with section 6.1.8 of the Code; and
 - (f) where they are connection facilities, do not materially reduce the reliability or performance of the Transmitter’s transmission system and are constructed with such mitigation measures as may be required so that no new available fault current level exceeds the maximum allowable fault levels set out in Appendix 2 of the Code if this would have an adverse effect on the Transmitter. Where the new available fault current level would exceed the maximum allowable fault level set out in Appendix 2 of the Code and would have an adverse effect on the Transmitter the Customer may, as an alternative, make suitable arrangements with the Transmitter to mitigate the economic or financial impact of allowing the new available fault current level to exceed the maximum allowable fault level set out in Appendix 2 of the Code. Such arrangements shall be consistent with the cost responsibility principles set out in the Code.
- 24.2. The Customer shall ensure that those of its facilities that are connected to the Transmitter’s transmission system, other than the facilities identified in section H.1 of Schedule H, comply with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2.
- 24.3. Where the Transmitter, after conducting a Customer Impact Assessment under section 6.4 of the Code, provides the Customer with a new available fault current level, the Customer shall, at its

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own expense, upgrade its facilities as may be required to accommodate the new available fault current level. This obligation shall not apply to the extent that the new available fault current level exceeds the maximum allowable fault levels set out in Appendix 2 of the Code except where suitable financial arrangements have been made with the Customer as contemplated in the last paragraph of section 6.1.2 of the Code.

- 24.4. The Transmitter and the Customer shall fully cooperate to ensure that modelling data required by this Agreement for the planning, design and operation of connections are complete and accurate. The Transmitter shall conduct, or may require that the Customer conduct, such tests as may be required where the Transmitter believes on reasonable grounds that the accuracy of such data is in question. The Party conducting such tests shall promptly report the results to the other Party. Where the tests are conducted by the Transmitter, the tests shall be conducted at a time that is mutually agreed by the Customer and the Transmitter, and the Customer shall reimburse the Transmitter for the costs and expenses reasonably incurred by the Transmitter in conducting the tests. If the testing is required to be rescheduled at the request of a Party or by reason of a Party's failure to attend, that Party shall, at the request of the other Party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the test.
- 24.5. The Customer shall, at the Transmitter's request, permit the Transmitter to participate in the commissioning, inspection, and testing of the Customer's facilities so as to enable the Transmitter to ensure that the Customer's facilities will not adversely affect the reliability of the Transmitter's transmission system.
- 24.6. Where section 24.5 applies, the commissioning, inspection or testing of the Customer's facilities shall be conducted at a time that is mutually agreed by the Customer and the Transmitter. If the commissioning, inspection or testing is required to be rescheduled at the request of a Party or by reason of a Party's failure to attend, that Party shall, at the request of the other Party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the commissioning, inspection or testing activity.

25. ADDITIONAL TECHNICAL REQUIREMENTS

- 25.1. Each Party shall comply with their respective obligations as set out in Schedules E, F and G.
- 25.2. Each Party shall ensure that its facilities meet the technical requirements set out in Schedules E, F and G.

26. OPERATIONAL STANDARDS AND REPORTING

- 26.1. As of the date of this Agreement, the fault levels at all connection points applicable to the Customer's facilities and the assumptions underlying those fault levels, as specified by the Transmitter in accordance with the Market Rules, are set out in section D.1 of Schedule D. The Transmitter shall update such fault levels as may be required under this Agreement or in response to a request by the Customer under section 26.2, and the Parties shall amend Schedule D accordingly.

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- 26.2. The Customer acknowledges that the fault levels at connection points applicable to the Customer’s facilities will change from time to time, and agrees that it may not rely upon the fault levels as specified section D.1 of Schedule D. Where the Customer reasonably requires confirmation of the fault levels at a connection point applicable to the Customer’s facilities, the Customer shall submit a request to that effect to the Transmitter. The Transmitter shall then provide the Customer with the current fault levels.
- 26.3. The Customer shall promptly report to the Transmitter any changes in its facilities that could materially affect the performance of the Transmitter’s transmission system.
- 26.4. The Customer shall, at the Transmitter’s request, promptly report to the Transmitter any and all incidents involving the automatic operation of the Customer’s facilities’ protective relays that affect the Transmitter’s transmission facilities.
- 26.5. The Transmitter shall promptly report to the Customer any changes in its facilities that could materially affect any transmission services provided to the Customer under this Agreement.

27. OPERATIONS AND MAINTENANCE

27.1. Work on Site of Other Party

- 27.1.1. When a Party is conducting work at the other Party’s site, the working Party shall:
- (a) subject to section 27.1.2, comply with all of the host Party’s practices and requirements relating to occupational health and safety and environmental protection;
 - (b) comply with all applicable law relating to occupational health and safety and environmental protection; and
 - (c) comply with all of the host Party’s reasonable practices and requirements relating to security of the host Party’s site, including entering into an access agreement on reasonable terms relating to security of the host Party’s site.
- 27.1.2. When a Party is conducting work at the other Party’s site, the working Party shall comply with its own practices and requirements in relation to occupational health and safety and environmental protection:
- (a) to the extent permitted by the host Party, which permission shall not be granted unless the host Party is satisfied that the working Party’s practices and requirements provide for a level of safety or protection that equals or exceeds its own; or
 - (b) to the extent that the host Party has not made its practices or requirements known to the working Party.

27.2. General

27.2.1. Each Party shall ensure that its facilities are operated and maintained only by persons qualified to do so.

27.2.2. Each Party shall operate and maintain its facilities in accordance with Schedule A.

27.3. Controlling Authorities

27.3.1. The Controlling Authority for each Party is the person identified as such in Schedule A. A Party may, by written notice to the Controlling Authority of the other Party, from time to time change its Controlling Authority, and the Parties shall amend Schedule A accordingly.

27.3.2. A Party shall comply with any request received from the Controlling Authority of the other Party.

27.4. Communication Between the Parties

27.4.1. Except as otherwise provided in this Agreement, all communications between the Parties relating to routine operating and maintenance matters shall be exchanged between the Parties’ respective Controlling Authorities in accordance with the contact information set out in Schedule A, or as otherwise specified in Schedule A.

27.4.2. Each Party shall provide the other Party with a communications protocol to be used by that other Party in emergency situations. The protocol shall include the name of the Party’s site emergency coordinator.

27.5. Switching

27.5.1 Each Party shall, through its Controlling Authority, develop a written protocol that establishes the conditions for, and the coordination of, switching in respect of equipment under its control.

27.5.2. The Parties shall, through their respective Controlling Authorities, approve one another’s switching protocols.

27.5.3. A Party may, with the consent of the other Party, appoint an employee of the other Party as its designate for switching purposes, provided that orders to operate must be issued by the Party’s Controlling Authority.

27.5.4. The Transmitter may issue to the Customer, and the Customer shall comply with, such switching instructions as may be required to maintain the security and reliability of the Transmitter’s transmission system.

27.5.5. The Controlling Authorities of the Parties shall, prior to the time at which any switching activity is to occur, agree upon procedures for such switching activity.

27.6 Isolation of Facilities at Customer’s Request

27.6.1. A Party shall not, other than in an emergency, operate an isolating disconnect switch except on prior notice to the other Party.

27.6.2. If the Customer requires isolation of its own facilities or of facilities under the Transmitter’s control, the Customer’s Controlling Authority shall deliver a written notice to that effect to the Transmitter’s Controlling Authority. The written notice shall contain the following:

- (a) a request that the Transmitter’s Controlling Authority provide a Supporting Guarantee;
- (b) the Transmitter’s assigned equipment operating designations, if applicable; and
- (c) the Customer’s assigned equipment operating designations, if the Transmitter’s equipment operating designations have not been assigned.

27.6.3. After the written notice referred to in section 27.6.2 has been delivered, the Customer’s Controlling Authority may request, and the Transmitter’s Controlling Authority shall ensure, that the isolation and subsequent reconnection of the Customer’s relevant equipment is done on a timely basis. The Parties shall bear their own costs and expenses associated with such isolation and reconnection.

27.6.4. The Transmitter may, provided that it has given advance notice to the Customer, lock the isolating disconnect switch in the open position in any of the following circumstances:

- (a) where necessary to protect the Transmitter’s personnel or equipment and the Transmitter has received a Supporting Guarantee from the Customer, in which case the lock shall be under the Transmitter’s control for the duration of the Supporting Guarantee;
- (b) where the operation of the Transmitter’s equipment interferes with the operation of the Customer’s equipment;
- (c) where equipment owned by either Party interferes with the operation of the Transmitter’s transmission system; or
- (d) where the Transmitter has been directed by the IESO to do so in accordance with the Market Rules.

27.7. Isolation of Facilities at Transmitter’s Request

- 27.7.1. If the Transmitter requires isolation of its own facilities from the Customer’s facilities or isolation of facilities under the Customer’s control, the Transmitter’s Controlling Authority shall deliver a written notice to that effect to the Customer’s Controlling Authority. The written notice shall contain a request that the Customer’s Controlling Authority provide a Supporting Guarantee that identifies the Customer’s assigned equipment operating designations.
- 27.7.2. After the written notice referred to in section 27.7.1 has been delivered, the Transmitter’s Controlling Authority may request, and the Customer’s Controlling Authority shall ensure, that the isolation and subsequent reconnection of the Transmitter’s relevant equipment is done on a timely basis. The Parties shall bear their own costs and expenses associated with such isolation and reconnection.

27.8. Alternative Method of Isolation

- 27.8.1. A Party may establish its own Work Protection in place of obtaining a Supporting Guarantee from the other Party.
- 27.8.2. The Party whose facilities are required in order to establish Work Protection shall provide the other Party with access to those facilities.
- 27.8.3. Establishing Work Protection shall be limited to the hanging of tags and the locking of devices.

27.9. Forced Outages

- 27.9.1. Where the forced outage of the facilities of one Party adversely affects the facilities of the other Party, the Controlling Authority of the Party experiencing the forced outage shall promptly notify the Controlling Authority of the other Party of the forced outage.
- 27.9.2. The Controlling Authority of a Party shall have sole authority to identify the need for and to initiate a forced outage of that Party’s facilities.

27.10. Planned Work

- 27.10.1. Where planned work to be performed by a Party may affect the safety of the other Party’s personnel, the Party performing the work shall provide the other Party with all required Work Protection documentation and related notices in writing or by such other means as they may agree in writing.
- 27.10.2. Where planned work on the facilities of a Party:
- (a) requires the participation or cooperation of the other Party; or
 - (b) could adversely affect the normal operation of the other Party’s facilities,

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the other Party shall use commercially reasonable efforts to accommodate the planned work and shall negotiate in good faith the reasonable procedures and cost sharing criteria applicable to the planned work.

27.10.3. The Customer shall take all reasonable steps to ensure that all anticipated and planned outages of its facilities for each calendar year are submitted to the Transmitter by October 1st of the preceding year.

27.10.4. All planned work on the Customer’s facilities that may affect the Transmitter’s transmission facilities shall be scheduled by the Customer with the Transmitter’s Controlling Authority.

27.10.5. Where the Customer plans work on its facilities that:

- (a) requires a feeder breaker to be opened or operated;
- (b) requires any disconnection or isolation from any facilities of either Party that are less than 50 kV, such as a feeder breaker;
- (c) will result in power flow or load changes of greater than 5 MW; or
- (d) will involve a transfer, load transfer or a switching operation that directly affects the Transmitter’s transmission facilities,

the Customer’s Controlling Authority shall submit a request to the Transmitter’s representative identified in Schedule A, including a request to provide a Supporting Guarantee where applicable. Such request shall be submitted in writing and shall be submitted at least four days in advance of the planned work or within such other period as the Parties may agree.

27.10.6 Where the Customer plans work on its facilities that requires that multiple feeder breakers, a station bus or a whole transformer station be operated, the Customer’s Controlling Authority shall submit a request to the Transmitter’s representative identified in Schedule A, including a request to provide a Supporting Guarantee where applicable. Such request shall be submitted in writing and shall be submitted at least ten days in advance of the planned work or within such other period as the Parties may agree.

27.10.7. Where the Transmitter plans work on its facilities that directly affects the Customer’s facilities and that requires that multiple feeder breakers, a station bus or a whole transformer station be operated, the Transmitter’s Controlling Authority shall give notice of the planned work to the Customer’s representative identified in Schedule A. Such notice shall be submitted in writing and shall be submitted at least ten days in advance of the planned work or within such other period as the Parties may agree.

27.10.8. Where the Transmitter plans work on its facilities that directly affects the Customer’s facilities and that requires a feeder breaker to be opened or operated, the Transmitter’s Controlling Authority shall give notice of the planned work to the Customer’s

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representative identified in Schedule A. Such notice shall be submitted in writing and shall be submitted at least four days in advance of the planned work or within such other period as the Parties may agree.

27.10.9. The Controlling Authority of a Party may submit to the other Party a written request for permission to re-schedule planned work that has been previously notified to or scheduled with that other Party. Such request must be given in writing at least two business days prior to the date on which the planned work was originally scheduled to occur.

27.10.10. If a Party’s request to re-schedule cannot be reasonably accommodated by the other Party and the Parties cannot agree on an alternate date, the matter shall be submitted to the dispute resolution process set out in section 17.

27.11. Shutdown of Customer’s Facilities

27.11.1. The Customer’s Controlling Authority shall promptly notify the Transmitter’s Controlling Authority in the event that the Customer’s facilities are shut down for any reason. The Transmitter shall investigate and determine the cause of the shutdown, using available evidence including input from the Customer’s staff.

27.11.2. Once the Transmitter is satisfied that reconnection of the Customer’s facilities following a shut down will not adversely affect the Transmitter’s transmission system, the Transmitter shall notify the Customer as soon as practicable that it may reconnect its facilities to the Transmitter’s transmission facilities. The Customer shall not reconnect its facilities to the Transmitter’s transmission facilities following a shut down until authorized to do so by the Transmitter’s Controlling Authority. Reconnection shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with procedures agreed between the Parties.

27.12. Emergency Operations

27.12.1. During an emergency or in order to prevent or minimize the effects of an emergency, a Party may without prior notice to the other Party take whatever immediate action it deems necessary to ensure public safety or to safeguard life, property or the environment.

27.12.2. Where a Party takes action under section 27.12.1, it shall promptly report the action taken and the reason for that action to the other Party’s Controlling Authority.

27.12.3. During an emergency or in order to prevent or minimize the effects of an emergency, the Transmitter may interrupt supply to the Customer’s facilities in order to protect the stability, reliability or integrity of the Transmitter’s transmission facilities or to maintain the availability of those facilities. In such a case, the Transmitter shall notify the Customer as soon as possible of the transmission system’s emergency status and of when to expect the resumption of normal operations. The Transmitter shall notify the Customer once the Transmitter determines that the Customer’s facilities may be reconnected. The Customer shall not reconnect its facilities until authorized to do so by the Transmitter.

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- 27.12.4. The Customer shall provide to the Transmitter a rotational load-shedding schedule that identifies the loads that may be required to be shed under section 27.12.5. The schedule shall also identify the controllable devices for each such load. The Transmitter may review the rotational load-shedding schedule with the Customer annually or more often if required.
- 27.12.5. Where it is directed to do so by the IESO, the Transmitter’s Controlling Authority shall initiate rotational load shedding in accordance with Schedule A. The Customer shall respond in accordance with Schedule A and shall comply with the Transmitter’s Controlling Authority’s direction to shed load.
- 27.12.6. Where it is directed to do so by the IESO, the Transmitter’s Controlling Authority shall initiate a rotational load shedding simulation in accordance with Schedule A. The Customer shall respond in accordance with Schedule A.
- 27.12.7 In an emergency, the Parties shall communicate in accordance with the communications protocols provided to one another under section 27.4.2.

27.13. Access to and Security of Facilities

- 27.13.1. Each Party shall ensure that its facilities are secure at all times. Where a Party’s facilities are located on the site of another Party, the Parties shall cooperate to ensure the security of those facilities in accordance with section 27.1.1(c).
- 27.13.2. Each Party shall be entitled to access the site or facilities of the other Party at all reasonable times where required in order to carry out work on its facilities or where otherwise permitted or required under this Agreement. Such access shall be effected in accordance with sections 27.13.4 and 27.13.5.
- 27.13.3. Each Party shall, to facilitate the exercise by the other Party of its access rights, provide that other Party with all applicable access procedures, including procedures relating to access codes and keys.
- 27.13.4. Where a Party wishes to exercise its right of access to the site or facilities of the other Party, the accessing Party shall provide reasonable prior notice to the host Party of the date, time and location of access and of the nature of the work to be undertaken. Where the accessing Party’s access cannot reasonably be accommodated by the host Party, the Parties shall agree on another date and time for access.
- 27.13.5. Where a Party is exercising its right of access, the Party shall:
- (a) comply with the obligations set out in section 27.1;
 - (b) ensure that any person that will have access to the host Party’s site or facilities has been properly trained;
 - (c) comply with the procedures provided to it by the host Party under section 27.13.3;
 - (d) not damage or interfere with the host Party’s property (provided that the exercise of the right of access shall not itself be considered interference); and

- (e) not interact with representatives of the host Party other than the person designated for such purpose by the host Party or as may be permitted by that designated person.

27.13.6. Where an accessing Party causes damage to or loss of any property of the host Party, the accessing Party shall promptly notify the host Party. Notwithstanding any provision of section 15, the accessing Party shall pay to the host Party the host Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

27.13.7. Where the property of a Party is on the site of the other Party, the host Party shall not interfere with or cause damage to or the loss of that property. Where the host Party causes such damage or loss, the host Party shall promptly notify the other Party. Notwithstanding any provision of section 15, the host Party shall pay to the other Party the other Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

27.13.8. In addition to the general right of access referred to in section 27.13.2, the Transmitter may access the site or facilities of the Customer in order to ensure that the Customer’s facilities comply with the requirements of this Agreement or for the purpose of investigating a threat or potential threat to the security of the Transmitter’s transmission system. Such right of access shall be exercised in accordance with the provisions of this section 27.13.

27.13.9. Nothing in this section 27.13 shall prevent or restrict a Party from doing any of the following in an emergency or where required to prevent or minimize the effects of an emergency:

- (a) interfering with the property of the other Party that is on its site; or
- (b) accessing the site of the other Party without notice.

Where a Party takes such action and causes damage to or loss of the property of the other Party, the acting Party shall promptly notify the other Party. Notwithstanding any provision of section 15, the acting Party shall pay to the other Party the other Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

28. INSPECTION, TESTING, MONITORING AND NEW, MODIFIED OR REPLACEMENT CUSTOMER FACILITIES

28.1. General Requirements

28.1.1. The Customer shall inspect, test and monitor its facilities to ensure continued compliance with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1.

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- 28.1.2. Where the Transmitter carries out any inspection, testing or monitoring of the Customer’s facilities where required or permitted under this Agreement, the Customer shall pay the Transmitter’s reasonable costs of doing so.
- 28.1.3. The Transmitter shall inspect, test and monitor its transmission facilities to ensure continued compliance with all applicable instruments and standards referred to in section 4.3.1 of the Code.
- 28.1.4. Each Party shall maintain complete and accurate records of the results of all performance inspection, testing and monitoring that it conducts in fulfillment of its obligations under this Agreement. Such records shall be maintained by each Party for a minimum of seven years or for such shorter time as the Board may permit.
- 28.1.5. Each Party shall, at the request of the other, provide the other Party with the records referred to in section 28.1.4. Without limiting the generality of the foregoing, the Customer shall, at the Transmitter’s request, provide the Transmitter with:
- (a) test certificates certifying that the Customer’s facilities have passed all relevant tests and comply with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1; and
 - (b) copies of any certificates of inspection or other applicable authorizations or approvals received from the Ontario Electricity Safety Authority in relation to the Customer’s facilities.

28.2. New, Modified or Replacement Customer Facilities

- 28.2.1. The Customer shall, at the Transmitter’s request, permit the Transmitter to inspect, test or witness the commissioning of any of the Customer’s new, modified or replacement facilities where the Transmitter reasonably considers that such new, modified or replacement facilities may adversely affect the performance of the Transmitter’s transmission system. The Customer shall pay the Transmitter’s reasonable costs of doing so.
- 28.2.2. Where section 28.2.1 applies, the inspection, testing or commissioning of the Customer’s facilities shall be conducted at a time that is mutually agreed by the Customer and the Transmitter. If the inspection, test or commissioning is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, the Party shall, at the request of the other party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the inspection, testing or commissioning activity.
- 28.2.3. The Customer shall, at the Transmitter’s request, provide the Transmitter with test certificates, including any certificates of inspection or other applicable authorizations or approvals that the Ontario Electrical Safety Authority may have issued, certifying that any of the Customer’s new, modified or replacement facilities have passed the relevant tests and comply with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1. The Transmitter may require the provision of these certificates as a

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condition of connecting any of the Customer’s new, modified or replacement facilities. The Customer acknowledges that the Transmitter cannot, where a connection authorization or other applicable authorization or approval issued by the Ontario Electrical Safety Authority is required in relation to the Customer’s new, modified or replacement facilities, connect such facilities unless that connection authorization has been issued.

- 28.2.4. The Transmitter shall provide to the Customer such technical parameters as may be required to assist the Customer in ensuring that the design of the Customer’s facilities shall be consistent with the requirements applicable to the Transmitter’s transmission system as set out in this Agreement.
- 28.2.5. The Customer shall not make any modifications to its facilities of a type that is specified in section D.2 of Schedule D without the prior approval of the Transmitter.
- 28.2.6. Where the Transmitter considers that a type of modification that is not already specified in section D.2 of Schedule D is likely to have a material adverse effect on the Transmitter’s transmission facilities, on the facilities of another of the Transmitter’s customers or on the facilities of one of the Transmitter’s neighbouring Ontario transmitters, the Transmitter shall so notify the Customer. The Parties shall then negotiate in good faith appropriate amendments to section D.2 of Schedule D.

29. COMPLIANCE WITH SCHEDULE ~~M~~K

- 29.1. The Parties shall comply with their respective obligations under Schedule ~~M~~K.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have caused this Agreement to be executed by their duly authorized representatives.

HYDRO ONE NETWORKS INC.

By: _____

Name:

Title:

I have Authority to bind the Corporation

Editors Note: Complete appropriate signing block information (based on customer type) below and delete unused sections before printing.

[IF A CUSTOMER IS A CORPORATION]

[INSERT FULL LEGAL CORPORATE NAME]

By: _____

Name:

Title:

I have Authority to bind the Corporation

[IF A CUSTOMER IS A LIMITED PARTNERSHIP]

[INSERT FULL LEGAL NAME OF LIMITED PARTNERSHIP] By its General Partner, _____

Storage Provider Legal Name. *Site Specific Name*

Hydro One Networks ID xxxxxx – CBR0xxxx

Transmission Connection Agreement

Month 20__

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[INSERT FULL LEGAL NAME OF GENERAL PARTNER]

By: _____

Name:

Title:

I have Authority to bind the General Partnership.

The General Partnership has Authority to bind the Limited Partnership.

**SCHEDULE A
SINGLE LINE DIAGRAM, DESCRIPTION OF THE CUSTOMER’S CONNECTION POINT(S)
AND DETAILS OF SPECIFIC OPERATIONS**

A.1. SINGLE LINE DIAGRAM AND CONNECTION POINT(S)

[to be inserted by the Parties]

A.2. LIST OF FACILITIES ON THE PROPERTY OF THE OTHER PARTY

A.2.1. The following Customer facilities are located on the Transmitter’s site:

[to be completed by the Parties]

A.2.2. The following Transmitter’s transmission facilities are located on the Customer’s site:

[to be completed by the Parties]

A.3. TELEPHONE CONTACT

A.3.1. Either Party has the right to change the position designations and telephone numbers listed below with immediate effect at any time by notice in writing delivered to the other Party by fax or other telegraphic means. Any employee of a Party with apparent authority may deliver such a notice to the other Party.

A.4. OWNER AND OPERATING CONTROL

A.4.1. A Party may change its designated controlling authority set out below at any time during the term of the Agreement, subject to the following conditions:

- (a) the Transmitter may change its designated controlling authority only for the Transmitter’s transmission facilities;

Day to Day Operations

For the operation of the Transmitter’s transmission facilities and the Customer’s facilities.

Transmitter	Customer
<hr/>	
<u>Operating Contacts:</u>	
Position:	
Name:	
Location:	
Phone Number:	
Fax Number:	
<hr/>	

Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 01-2022]

Outage Planning:

Position:

Name:

Location:

Phone

Number:

Fax

Number:

Position:

Name:

Location:

Phone

Number:

Fax

Number:

Position:

Name:

Location:

Phone

Number:

Fax

Number:

Notes:

Contract Administration for operating services

Transmitter

Customer

Position:

Name:

Location:

Phone

Number:

Fax

Number:

Position:

Name:

Location:

Phone

Number:

Fax

Number:

Position:

Name:

Location:

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Phone
Number:
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Number:

A.4. OWNER AND OPERATING CONTROL

A.4.1. A Party may change its designated controlling authority set out below at any time during the term of the Agreement, subject to the following conditions:

- (a) the Transmitter may change its designated controlling authority only for the Transmitter’s transmission facilities;
- (b) the Customer may change its designated controlling authority only for the Customer;
- (c) either Party shall notify the other in writing of any change in its designated controlling authority at least ten business days before implementing a change; and
- (d) notification of any changes to the controlling authority shall be exchanged between the Transmitter and the Customer as follows:

Transmitter	The Customer
Director – Transmission Operations Division	General Manager [Appropriate level of Management to be identified by the Customer]
All affected Controlling Authorities and Transmission Operations Management Centre	All affected Controlling Authorities

A.4.2. The Customer:

- (a) owns:
- (b) has operating control of:

A.4.3. The Transmitter:

- (a) owns:
- (b) has operating control of:

A.5. Metering Facilities Diagram

This diagram is based on the protection, control, and metering diagram.

A.6. Normal Operations

This Schedule shall include Customer-specific Information during normal operations.

A.7. Emergency Operations

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This Schedule would include Customer specific Information during Emergency operations.

A.8. Re-verification Schedules-Protection and Control (sample only)

A.8.1. A Customer shall re-verify its station protections and control systems that can impact on the Transmitter’s transmission system. **The maximum verification or re-verification interval is: four (4) years for most of the 115 kV transmission system elements including transformer stations and transmission lines, and certain 230 kV transmission system elements; and two (2) years for all other high voltage elements. The maintenance cycle can be site specific.**

A.8.2. Customer shall advise the Transmitter at least fourteen (14) business days’ notice of its intention to conduct a re-verification test, so that the Transmitter’s protection and control staff and system performance staff (if required) can observe:

- (a) re-verification of protection equipment settings specified in this Agreement;
- (b) relay recalibration;
- (c) test tripping of station breakers that impact on the Transmitter/Customer interface measurement and analysis of secondary AC voltages and currents to confirm measuring circuit integrity as well as protection directioning; and
- (d) measurement and analysis of secondary AC voltages and currents to confirm measuring circuit integrity.

Note: All tests must be coordinated and approved ahead of time through the normal outage planning process.

A.8.3. The following specific actions are required:

- (a) observe all station protections that trip and open the “enter the devices that interface with the Transmitter” for proper operation; and
- (b) confirm that settings approved by the Transmitter are applied to the following protections:
 - (i) over and under voltage;
 - (ii) transformer differential;
 - (iii) transformer phase and ground backup protection;
 - (iv) line protections;
 - (v) breaker or HVI failure protection; and
 - (vi) transfer and remote trip protections.

A.9. General Protections (sample only)

1. There are no line protections at Site.
2. Transformer faults are cleared by the high voltage (HV) and medium voltage (MV) breakers.
3. The transformer protection sends a block to the Transmitter’s network transformer station or switching station to prevent out of zone tripping.
4. Breaker failure protection sends transfer trip and it is then cascaded to other stations.
5. Under Frequency Load Shedding relays that operate as follows:

[Set out Particulars]

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A.10. Telecommunication Facility Details for Protection and Control Applications (sample only)

A.10.1. Telecommunication Medium

The communication medium used will be two (2) leased telephone circuits from Bell Telephone and these circuits are the responsibility of the Customer

A.10.2. Types of Telecommunication Channels

2 Blocking Channels
2 Transfer Trip Channels

A.10.3. Ownership of Telecommunication Terminal Equipment

The terminal equipment located at a given facility is owned by the Customer. The communication medium (leased telephone circuits) is considered to be owned by the Customer. Therefore, the Customer is responsible for the restoration of the failed communication medium.

The terminal equipment located at a switching station is owned by the Transmitter.

A.10.4. Responsibility for Work and Costs Associated with Breakdown and Routine Maintenance

If maintenance is required on the terminal equipment located at the Customer’s facility, the Customer will bear all incurred costs.

If maintenance is required on terminal equipment located at sites owned by the Transmitter, the Transmitter will bear all incurred costs.

If maintenance or repair is required on the leased telephone circuits, the Customer will incur all associated costs. These costs will include charges by Bell Telephone and the Transmitter if its personnel are required to participate in any of the related activities.

A.10.5. Reverification Schedule

Routine Maintenance on communication equipment and the communication channels must be performed every two years.

A.10.6.

The provision of spare communication equipment is the Customers’ responsibility and will be located at its site.

A.10.7. Failure of Communication Equipment

If a communication failure affects either the transfer trip channels or the blocking channels; the Transmitter will decide whether or not the Customer should remain connected to the high- voltage system. The Transmitter must advise the Customer, through the appropriate communication protocol outlined in this code, of the situation, the choices available to the Customer and the risks involved. Since the Transmitter will take the decision according to its own interests, the Customer can choose to remain or separate from the high-voltage system at its own risk.

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A.10.8. Mean Time for Repairs

The mean time for repairs will be within two working days, dependent on the availability of staff of Bell Telephone and the Transmitter.

A.10.9. Provision of Purchase Order by Customer to Transmitter

The Customer will provide the Transmitter’s designated leader with a purchase order, so that the Transmitter may apply appropriate charges to the Customer.

A11.1. Scope

A11.1.1 Rotational Load Shedding

This instruction assigns authority and defines responsibilities for manual primary load shedding that may be required to correct abnormal conditions on the IESO-controlled grid or the Transmitter’s transmission facilities. Procedures are also outlined for conducting simulation of rotational load shedding.

A11.1.2. Information

From time to time the IESO-controlled grid or the Transmitter’s transmission facilities may experience abnormal conditions. To minimize their impact, and to restore and maintain security of operations, prompt control action must be taken. The control actions are numerous and vary according to the abnormal condition.

In extreme situations, the only way to correct abnormal conditions may be to shed primary firm load. Recognizing the impact on the Customer, this control action must be pre-planned as much in advance as possible. Rotational load shedding of primary firm load provides assurance that the abnormal condition will be quickly corrected while allowing for Customer selectivity. The schedule shall comply with the IESO’s rules, procedures and policies in effect at the relevant time.

A11.1.3. Response to Controlled Rotational Load Shedding

The request to implement a controlled rotation load shed will be as directed by the IESO and can come from the Transmitter’s controlling authority located at the Transmitter’s territory operating centre.

The request for implementation will follow this model:

“To comply with directions from the IESO, this is the Transmitter’s controlling authority calling. We are currently implementing a rotational load shed. Would you please reduce your load to X MWs. You will be notified when conditions allow you to return to full load.”

The Customer’s response will follow this model:

“I understand that the Transmitter’s controlling authority is implementing a rotational load shed and that I am to reduce load to X MWs. Is that correct?”

The Transmitter’s controlling authority will confirm the request.

A11.1.4. Response to Controlled Rotational Load Shedding Simulation

The request to simulate a controlled rotation load shed will be as directed by the IESO and can come from the Transmitter’s controlling authority located at the Transmitter’s territory operating centre.

The request for simulation will follow this model:

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“To comply with directions from the IESO, this is the Transmitter’s controlling authority calling. We are currently simulating a rotational load shed. Would you please simulate a load shed of X MWs.

Please inform me of your steps and the actual amount of the simulated load shed you are able to achieve.”

The Customer’s response will follow this model:

“I understand that the Transmitter Controlling Authority is simulating a Rotational Load Shed and that I am to simulate a load shed of X MWs. Is this correct?”

The Transmitter’s controlling authority will confirm the request and both operators will remain on line to review procedure and collect Information.

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**SCHEDULE B
TRANSMISSION SERVICES AND ASSOCIATED CHARGES**

- B.1. This Schedule applies where the Customer’s facilities are connected to those of the Transmitter’s transmission facilities that form part of the IESO-controlled grid.
- B.2. In this Schedule and in Attachment B1:
- (a) the terms “Delivery Point” and “Network Service” shall have the meaning given to them in the Transmitter’s Rate Order; and
 - (b) the terms “Registered Wholesale Meter”, “Metering Registry” and “Metering Service Provider” shall have the meaning given to them in the Market Rules.
- B.3. The Customer shall not be entitled to receive, and the Transmitter shall not be required to provide, any transmission services unless the Customer and the Customer’s facilities comply with all applicable requirements of this Agreement and with all revenue metering and associated billing and settlement requirements of the Market Rules. Without limiting the generality of the foregoing, the Customer must provide the following information to the Transmitter:
- (a) the identity of each Delivery Point associated with Customer’s facilities, including the voltage supply level;
 - (b) a forecast of the Customer’s demand at each such Delivery Point; and
 - (c) if applicable, the identity of each generation unit that is embedded relative to the Customer (determined in accordance with section O.1 of Schedule O) and the following information in respect of each such generation unit: (i) installed capacity; (ii) date on which all approvals required for installation of the generation unit were obtained; (iii) technology type; and (iv) fuel or generation source type.
- B.4. Where the Customer wishes to obtain Export Transmission Service, the Customer shall arrange for and obtain that transmission service in accordance with the requirements of the Market Rules.
- B.5. Charges for transmission services provided to the Customer shall be determined and billed in accordance with the Transmitter’s Rate Order and the Market Rules.
- B.6. Transmission service charges shall be paid by the Customer to the IESO in accordance with the Market Rules. A dispute related to an amount payable by the Customer to the IESO on account of transmission service charges that is subject to the dispute resolution provisions of the Market Rules shall be resolved in accordance with those provisions. Nothing in this section B.6 shall preclude a Customer from initiating a dispute under this Agreement in relation to the applicability of transmission service charges or the classification of transmission service charges.
- B.7. The Parties may agree to use Attachment B1 or an amended version of Attachment B1 in connection with the payment of transmission service charges.

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B.8. Without limiting the generality of section B.5:

- (a) transmission services shall be charged on the basis of the Delivery Point associated with the Customer’s facilities;
- (b) where there is more than one Delivery Point associated with the Customer’s facilities, transmission services shall be charged individually for each Delivery Point (with the result that the Customer’s demand at multiple Delivery Points cannot be aggregated);
- (c) where a Delivery Point associated with the Customer’s facilities is also a Delivery Point for the facilities of an affiliate of the Customer, the demand at that Delivery Point may be aggregated if the facilities are on a single site or if the facilities are on adjacent sites owned by the Customer or by the Customer and an affiliate of the Customer; and
- (d) charges for transmission service shall be calculated after taking account of site-specific losses as determined in accordance with the Market Rules.

B.9. The Customer shall notify the Transmitter in the event of a material change in any of the information referred to in section B.3 relative to the most recent information provided to the Transmitter.

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Attachment B1
Billing for Transmission Service Charges and Designation of Agent
(as permitted by section B.7 of Schedule B)

As contemplated in the Transmitter’s Rate Order, the IESO will submit invoices for transmission services to market participants that utilize Network Service or Export Transmission Service.

The Market Rules and the Transmitter’s Rate Order require that transmission service charges payable by transmission customers shall be collected by the IESO. The billing and settlement processes used by the IESO are designed to collect transmission service charges from entities that are market participants, using meter readings that are totalized and loss adjusted. The Customer shall ensure that any Registered Wholesale Meter used for the purposes of determining transmission service charges payable by the Customer satisfy the wholesale metering requirements and associated obligations specified in Chapter 6 of the Market Rules (including the appendices to that Chapter).

The Customer may wish to designate to another entity that is a market participant (referred to as the “Transmission Customer Agent”) the responsibility for paying some or all of the transmission service charges payable by the Customer and the responsibility for satisfying the wholesale metering requirements and associated obligations specified in Chapter 6 of the Market Rules (including the appendices to that Chapter). Any such designation shall be made on the basis of delivery points and associated connection points with respect to which the Customer has transferred the obligations to the Transmission Customer Agent.

Where the Customer wishes to so designate another entity as its Transmission Customer Agent, the Customer and the Transmission Customer Agent shall sign the form set out below and return it to the Transmitter. Once the designation takes effect, the transmission service charges payable by the Transmission Customer Agent will be calculated by the IESO as though the Transmission Customer Agent were the Customer with respect to the designated connection points at the applicable delivery points. Except as otherwise provided in Schedule B, the demand designated to the Transmission Customer Agent by the Customer shall not be aggregated with any demand for which (a) the Customer retains the obligation to pay transmission service charges, (b) the Customer designates the obligation to another entity, or (c) another customer of the Transmitter designates the obligation to the Transmission Customer Agent.

[Transmission Customer Designation Form follows]

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Transmission Customer Designation Form

The undersigned Customer hereby transfers to the undersigned Transmission Customer Agent, and the undersigned Transmission Customer Agent hereby assumes and agrees to honour, all obligations and responsibilities for each Registered Wholesale Meter and the payment of transmission service charges associated with the connection points listed below. This transfer of obligations and responsibilities is in accordance with Schedule B of the Connection Agreement between the Customer and the Transmitter. The undersigned Transmission Customer Agent hereby agrees to register as a market participant with the IESO and to be subject to all of the requirements of the Market Rules for the purposes of payment of transmission service charges associated with the delivery points and associated connection points listed below. The Customer and the Transmission Customer Agent, as applicable, undertake to notify and oblige their respective Metering Service Provider(s) to ensure that the Metering Registry data maintained by the IESO in accordance with Chapter 6 of the Market Rules (including the appendices to that Chapter) is updated consistent with this designation.

List of delivery points and associated connection points for which obligations and responsibilities are transferred:

Delivery Point	Description of Associated Connection Points

<u>On Behalf of Customer</u> Signed: _____ Title: _____ Date: _____ Business Name and Address: _____ _____ _____	<u>On Behalf of Transmission Customer Agent</u> Signed: _____ Title: _____ Date: _____ Business Name and Address: _____ _____ _____
---	--

Received by Transmitter [Hydro One Networks Inc.]

Name:
Title:
Date: _____

The designation contained herein shall become effective once the Metering Service Provider(s) for the Customer and the Transmission Customer Agent submit(s) the information required in accordance with the change management process for the Metering Registry maintained by the IESO.

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**SCHEDULE C
CURE PERIODS FOR DEFAULTS**

- C.1. The Cure Period for a Financial Default shall be:
- (a) seven business days; or
 - (b) ten business days, where notice has been given to the Transmitter under section 19.4.1.
- C.2. The Cure Period for a Non-financial Default shall depend on the impact of the Non-financial Default, determined by the Non-defaulting Party as follows:

Impact of Default	Description	Cure Period
Safety - Immediate	A Non-financial Default that could result in immediate injury or loss of life (e.g., exposed wires, destroyed station fence, etc.).	Promptly
Safety - Potential	A Non-financial Default that could result in injury or loss of life if a single contingency were to occur (e.g., substandard grounding)	Promptly
Environment B Immediate	A Non-financial Default that could result in immediate adverse effects on land, air, water, plants, or animals	Promptly
Asset Integrity	A Non-financial Default that could adversely affect the ability of an asset to operate within prescribed ratings (voltage, thermal, short circuit) or be maintained to required standards for the purpose of prolonging the lifespan of the asset or satisfying safety or environmental requirements	Promptly
Environmental - Potential	A Non-financial Default that could, if a single contingency were to occur, result in adverse effects on land, air, water, plants, or animals	30 days
Power Quality	A Non-financial Default that could result in a variation in electric power service that could cause the failure or improper or defective operation of end-use equipment, such as voltage sag, overvoltage, transients, harmonic distortion and electrical noise	30 days

- C.3. Where a Non-financial Default can have more than one impact and the impacts have different Cure Periods, the shortest of the Cure Periods shall apply.

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**SCHEDULE D
FAULT LEVELS AND MODIFICATIONS REQUIRING APPROVAL BY THE
TRANSMITTER**

D.1. FAULT LEVELS

[to be completed by the Parties and updated as required, using Attachment D1]

D.2. MODIFICATIONS REQUIRING APPROVAL BY THE TRANSMITTER

D.2.1. In accordance with sections 28.2.5 and 28.2.6, the Customer may not make any material changes, additions, modifications or removals to all or part of its Customer Facilities as defined by the Code that may impact the reliability of the Transmission Facilities owned by the Transmitter without the prior approval of the Transmitter. For example, material changes would be Customer changes that impact load flows and load profiles, power quality, fault levels and protection systems.

**Attachment D1
Fault Levels
(as permitted by section D.1 of Schedule D)**

Tariff Delivery Point	Supply Voltage (kV)	Tx Connection Point Number	Tx Connection Point	3 Phase Fault (kA)	LG Fault Level (kA)
(Usually the site specific name)	115, 230 or 500 choose one				

The fault level data contained in this table has been derived by the Transmitter using the system information available at this time. Fault levels change continuously because of system conditions e.g. new generator connections, disconnection of load customers, and replacement of high voltage equipment. The Transmitter re-calculates this information annually. The fault level data should not be used in any engineering calculations without the Transmitter's written approval of such use. If the Customer requires fault level data for any specific project or planning application, the Customer should contact their Transmitter Account Executive and/or Planning Officer.

The Customer acknowledges and agrees that if it uses any of the fault level data without Transmitter's consent, the Customer assumes all responsibility and liability for the application to Customer's own operations and facilities; and the Customer further assumes all responsibility and liability for damages to Hydro One's equipment. In addition, the Customer releases, indemnifies and saves harmless the Transmitter from and against any and all damages, losses, costs, or expenses (the "Claims") arising in connection with the Customer's usage of the fault level data without the Transmitter's consent or in relation thereto. For the sake of clarity, and in no way limiting the generality of the foregoing, this release and indemnity expressly includes Claims arising from or caused or contributed to or by the Customer's failure to obtain the Transmitter's consent for the use of the fault level data values in any specific project or planning application.

**SCHEDULE E
GENERAL TECHNICAL REQUIREMENTS**

1.1 Intentionally left blank.

1.2 Isolation from the Transmission System

1.2.1. The Customer shall provide an isolating disconnect switch or device at the point or junction between the Transmitter and the Customer, i.e., at the point of the interconnection, which physically and visually opens the main current-carrying path and isolates the Customer’s facility from the transmission system.

1.2.2. The isolating disconnect switch shall meet the following criteria:

1.2.2.1. it shall simultaneously open all phases (i.e., group-operated open/close) to the connection;

1.2.2.2. it shall be lockable in the open and closed positions;

1.2.2.3. when the device is used as part of the HVI failure protection system, it shall be motor-operated and equipped with appropriate control circuitry; and

1.2.2.4. it shall be suitable for safe operation under the conditions of use.

1.3 Protection and Control

1.3.1. The protection systems, which protect transmission system elements, shall be capable of minimizing the severity and extent of disturbances to the transmission system while themselves experiencing a first-order single contingency such as the failure of a relay protection system to operate or the failure of a breaker to trip. In particular:

1.3.1.1. the elements designated by the Transmitter or the IESO as essential to system reliability and security shall be protected by two protection systems. Each system shall be independently capable of detecting and isolating all faults on those elements. These elements shall have breaker failure protection, but breaker failure protection need not be duplicated. Both protection systems shall initiate breaker failure protection;

1.3.1.2. to reduce the risk of both systems being disabled simultaneously by a single contingency, the protection system designs shall not use components common to the two systems;

1.3.1.3. the use of two identical protection systems should be avoided, because it increases the risk of simultaneous failure of both systems due to design deficiencies or equipment problems;

1.3.1.4. the protection systems shall be designed to isolate only the faulted element. For faults outside the protected zone, each protection system shall be designed either not to operate or to operate selectively in coordination with other protection systems;

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- 1.3.1.5. Customer protection settings for protections affected by conditions on the transmission system shall be coordinated with those of the transmission system;
- 1.3.1.6. protection systems shall not operate to trip for stable power swings following contingencies that are judged by protection system designers as not harmful to the transmission system or its Customers;
- 1.3.1.7. the components and software used in all protection systems shall be of proven quality for effective utility application and following good utility practice;
- 1.3.1.8. critical features associated with the operability of protection systems and the high voltage interrupting device (HVI) shall be annunciated or monitored;
- 1.3.1.9. the design of protection systems shall facilitate periodic testing and maintenance. Test facilities and procedures shall not compromise the independence of the redundant protection systems. Test switches shall be used to eliminate the need to disconnect wires during testing;
- 1.3.1.10. the two protection systems shall be supplied from separate secondary windings of a voltage and current transformer or from separate voltage and current transformers;
- 1.3.1.11. separately fused and monitored DC sources shall be used with the two protection systems. For all Generating Facilities connected to the transmission system, two separate DC station battery banks shall be required to provide the required degree of reliability; and
- 1.3.1.12. protection system circuitry and physical arrangements shall be designed to minimize the possibility of incorrect operations from personnel error.
- 1.3.2. Specific protection and control practices and equipment requirements are set out in Schedule G of this Agreement.
- 1.3.3. Transmitters and Customers should apply protection systems, using the typical tripping matrix for transmission system protection shown in Exhibit E.2, of this Schedule E.

1.4. Insulation Coordination

- 1.4.1. Equipment connected to the transmission system shall be protected against lightning and switching surges. This shall include station shielding against direct lightning strokes, surge protection on all wound devices, and cable/overhead interfaces.
- 1.4.2. A tap connected to a shielded transmission circuit shall also be shielded.
- 1.4.3. The Transmitter shall review surge arrester ratings.
- 1.4.3.1. The Transmitter shall provide all relevant Information, e.g., ratings, to Customers

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upon request. The Transmitter, however is not responsible for the adequacy of design or correctness of the operation of any equipment or apparatus including the surge arrester(s).

1.5. Grounding

- 1.5.1. Grounding installations shall be capable of carrying the maximum foreseeable fault current, for the duration of such fault currents, without risking safety to personnel that may be present on site when a fault occurs, damage to equipment, or interference with the operation of the transmission system.
- 1.5.2. Each transformer, switching, or generating station shall have a ground grid on which all metallic structures, metallic equipment and non-energized metallic equipment are solidly connected. The size, type and requirements for the ground grid are site-specific, depending on such factors as soil conditions, station size, and short-circuit level.
- 1.5.3. The Transmitter shall review the ground potential rise (GPR) study submitted by the Customer at the Customer’s cost. The Customer shall comply with the Bell System Practices as they may be amended or modified from time to time and the IEEE standard 487 as it may be amended or modified from time to time for providing special high-voltage protection devices on metallic communication cables. The Transmitter assumes no responsibility for the adequacy of design or correctness of the operation of any equipment or apparatus associated with the Customer’s installation.
- 1.5.4. The placement of any additional grounding points on the transmission system shall require the approval of the Transmitter. The Transmitter shall give its approval if it is satisfied that the reliability of its transmission system is not affected.

1.6. Telemetry, Monitoring, and Telecommunications

- 1.6.1. Transmitters shall advise Customers of the performance and details of required telemetering facilities that serve them. Some requirements depend on the size and specific location of the connection to the transmission system. As a minimum, telemetry shall be required for the flow of real and reactive power through circuits and transformers, the voltages at selected points, and the status (open or closed) of switching elements.
- 1.6.2. A Transmitter may require a Customer to install monitoring equipment to track the performance of its facilities, identify possible protection system problems, and provide measurements of power quality. The responsibility for costs will be as determined by the Board. As required, the monitoring equipment shall perform one or several of the following functions:
 - 1.6.2.1. sequence of events recording (SER) to record protection related events at a connection;

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- 1.6.2.2. digital fault recording (DFR) to permit analysis of transmission system performance under normal and abnormal conditions; or
- 1.6.2.3. power quality monitoring (PQM) to record voltage transient surges, voltage sags and swells, voltage unbalance, supply interruptions, frequency variations and other voltage and current waveform monitoring.
- 1.6.3. Customers’ telecommunications facilities shall be compatible with those of the Transmitter and have similar reliability and performance characteristics. At the Transmitter’s discretion, some or all of the following functions may require telecommunication: protective relaying; system control and data acquisition (SCADA); voice communication; and special protection systems (e.g., generation rejection or runback).
- 1.6.4. Telecommunication facilities, design details, and performance requirements, associated with Customers’ facilities, shall be provided at the Customer’s expense.
- 1.6.5. The Customer shall bear all costs, without limitation, of providing the same telemetry data required under the Market Rules, associated with its facilities to the Transmitter and providing all required connection inputs to the Transmitter’s disturbance-monitoring equipment, except:
 - 1.6.5.1. where the connection inputs to the Transmitter’s disturbance-monitoring equipment are of mutual benefit to the Customer and the Transmitter, in which circumstance the Customer and Transmitter shall share the cost of providing the data in proportion to the benefits received; or
 - 1.6.5.2. where the connection inputs to the Transmitter’s disturbance-monitoring equipment are required only for the Transmitter’s benefit, in which case the transmitter shall pay all of the costs associated with providing the data.

1.7. Inspecting and Commissioning Procedures

- 1.7.1. Customers shall ensure that any new or replacement equipment that they own is inspected and tested before initial connection to the transmission system. The initial verification tests shall confirm that the connection of the Customer’s facility to the transmission system:
 - 1.7.1.1. does not pose any safety hazards;
 - 1.7.1.2. does not adversely affect operation of the transmission system in a material manner; and
 - 1.7.1.3. does not violate any requirement of the Code or this Agreement.
- 1.7.2. The Transmitter has the right to inspect the Customer’s facility and witness commissioning tests related to any new or replacement equipment that could reasonably be expected to adversely affect the transmission system. The initial verification shall include high-voltage interrupting devices, line disconnect switches,

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the line and bus connections from the dead-end structure to Customer’s facility, power transformers, surge arresters, DC batteries, and station service systems, protection, metering, and communication systems. The Customer shall have the right to the inspection reports relating to such facility.

- 1.7.3. The Transmitter assumes no responsibility for the adequacy of design or correctness of the operation of any equipment or apparatus associated with the Customer’s installation. The Transmitter shall notify the Customer of its findings regarding any potential problems or limitation of such equipment or apparatus owned by the Customer, without any responsibility.
- 1.7.4. The Customer shall advise the Transmitter of the commissioning program in writing, thirty business days before it proposes to begin the commissioning tests. The written notice shall include the connection commissioning schedule, the proposed test procedure, the test equipment to be used, and the transmission system conditions required, and also the name of the individual responsible for coordinating the proposed tests on the Customer’s behalf.
- 1.7.5. Within fifteen business days of receiving the notice, the Transmitter shall notify the Customer that it:
 - 1.7.5.1. agrees with the proposed connection commissioning program and test procedures; or
 - 1.7.5.2. requires changes in the interest of safety or maintaining the reliability of the transmission system, and that such changes shall be sent to the Customer promptly.
- 1.7.6. If the Transmitter requires changes, then the Parties shall act in good faith to reach agreement and finalize the commissioning program within a reasonable period.
- 1.7.7. The Customer shall submit the results of the commissioning tests to the Transmitter and must demonstrate that all its equipment complies with the Code and this Agreement.
- 1.7.8. If the commissioning test reveals non-compliance with one or more requirements of the Code or this Agreement, the Customer whose equipment was tested shall promptly meet with the Transmitter and agree on a process aimed at achieving compliance.
- 1.7.9. The Transmitter may withhold permission to complete the commissioning and subsequent connection of the Customer to the transmission system if the relevant equipment fails to meet any technical requirement stipulated in the Code or this Agreement.
- 1.7.10. All reasonable costs incurred or associated with Transmitter’s witnessing of the verification tests shall be borne by the Customer.

1.8. Procedures for Maintenance and Periodic Verification

- 1.8.1. The Transmitter, using good utility practice, may specify the maintenance criteria

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and the maximum time intervals between verification cycles for those parts of Customers’ facilities that may materially adversely affect the transmission system. The obligations for maintenance and performance re-verification shall be stipulated in the appropriate schedule to this Connection Agreement.

- 1.8.2. Test switches shall be provided to isolate current and potential transformer input to the relays as well as a set of switches to isolate the relays tripping outputs from the power equipment control circuitry.
- 1.8.3. The reasonable cost of conducting maintenance and verification tests shall be borne by the Customer.
- 1.8.4. The Transmitter may appoint a representative to witness relevant maintenance and verification tests and the Customer shall permit the representative to be present while those tests are being conducted.
- 1.8.5. To ensure that the Transmitter’s representative can witness the relevant tests, the Customer shall submit the proposed test procedures and a test schedule to the Transmitter not less than ten business days before it proposes to carry out the test. Following receipt of the request, the Transmitter may delay for technical reasons the testing for as long as ten business days. The Transmitter will use best efforts to make the required test date.
- 1.8.6. The reasonable costs associated with the witnessing of verification tests by the Transmitter’s representative shall be borne by the Customer.
- 1.8.7. If a verification test reveals that the electrical equipment or protective relay system covered under the operations schedule does not comply with requirements, the Customer shall:
 - 1.8.7.1. promptly notify the Transmitter of that fact;
 - 1.8.7.2. promptly advise the Transmitter of its proposed remedial steps and its timetable for their implementation;
 - 1.8.7.3. diligently undertake appropriate remedial work and provide the Transmitter with monthly reports on progress; and
 - 1.8.7.4. conduct further tests or monitoring on completing the remedial work, to confirm compliance with the relevant technical requirements.
- 1.8.8. The Transmitter’s reasonable costs associated with witnessing the performance tests following remedial work shall be borne by the Customer.
- 1.8.9. Customers shall make their maintenance records and verification test results, including up-to-date as-built drawings, available to the Transmitter upon request.

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SCHEDULE E (CONT'D)

Exhibit E.1 Protection System Symbols and Devices







<u>Protection Systems - Symbols and Device Functions</u>	
51B	Transformer Phase Backup
50 / 51	Instantaneous / Timed Overcurrent
51V	Voltage Controlled Overcurrent
64	Line Ground Protection
79-25	Synchronizing Relay
A21 / B21	Line Phase Protection - A&B Group
A27 / B27	Undervoltage - A&B Group
A59 / B59	Overvoltage - A&B Group
A64-27 / B64-27	Ground Undervoltage - A&B Group
A64-59 / B64-59	Ground Overvoltage - A&B Group
A81U / B81U	Underfrequency - A&B Group
A81O / B81O	Overfrequency - A&B Group
A87 / B87	Transformer Differential - A&B Group
F	Failure Protection
L1, L2	Supply Line
T1, T2	Power Transformer
RT/TT	Remote or Transfer Trip for HVI Device Failure Protection
	Circuit Breaker
	Circuit Breaker with Reclosure
	HV Interrupting Device
	a) Circuit Breaker
	b) Circuit Switcher
	c) Vacuum Interrupter
	Motor Operated Disconnect Switch
	HV Transformer Bushing
	LV Transformer Bushing

Exhibit E.2 Typical Transmission System Protection Tripping Matrix

The following is a simplified tripping matrix showing the breakers that trip for different protection systems on the transmission system based on a single line supply to a Customer station or a transmitter's tapped transformer station operating, at the high voltage side, above 50kV. The type of Customer (i.e., load or Generator) station configuration and other site-specific factors will influence

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the desired tripping matrix. The same approach can be applied to large 44-kV developments. In some applications, it may be desirable to trip the MV breaker for Line ZI/T operations instead of the HV Breaker.

PROTECTION FUNCTION	INITIATING PROTECTION							
	LINE ZI	LINE ZT	TTR LOCAL	XFRM	BUS	B/F HV	FRAME LEAK *	B/F MV
TRIP HV BREAKERS	T	T		T	T	T	T	T
HV BREAKER FAILURE	I	I		I	I			
HV AUTO-RECLOSE	C	C		C	C	C	C	C
BREAKERS			T	T	T	T	T	T
MV BREAKER FAILURE			I	I	I		I	
MV AUTO-RECLOSE					C	C	C	C
TTT	S					S	S	
OPEN XVR DISC				I				
TRIP ADJACENT HV ZONES						I		
TRIP ADJACEENT MV ZONES								I

T B trip breakers

I B initiate

C B cancel

S B send signal

HV B high voltage

TTR/T B transfer trip receive/transmit

ZI/T B impedance instantaneous/timed

B/F B breaker failure

MV B medium voltage

* - Frame leakage protection is normally associated with 500kV breakers

All transmission system elements, including breakers, in the zones of protection shall be fitted with redundant protection systems if devices operated at more than 50 kV, except as noted.

All breakers in the zone of protection that includes devices operated at more than 50 kV shall be fitted with the non-redundant breaker failure-protection systems. Transmission system reliability, as determined by the IESO, may require breaker failure protection on the transformer MV breaker.

The Customer must be able to isolate (self-contain) his internal problems without having a major impact on the transmission system. Under certain circumstances, HV breakers may not be required for load Customer step-down transformers, provided that a motorized disconnect switch and redundant communication channels and paths are provided to isolate the transformer at the terminal stations if a fault occurs in the transformer zone of protection.

Medium-voltage buses require either duplicated differential protection or a single differential protection with an overcurrent backup.

**SCHEDULE F
ADDITIONAL TECHNICAL REQUIREMENTS**

1.1 Supply Considerations

- 1.1.1 A high-voltage interrupting device (HVI) shall provide a point of isolation for the Customer’s Storage Facility from the transmission system. HVIs shall be provided with appropriate back-up protection. The HVI shall be a circuit breaker unless the Transmitter authorizes another device.
- 1.1.2 The HV side of the Customer’s transformer shall be protected by surge arresters.
- 1.1.3 All protection systems shall be redundant and be complete with separate trip auxiliary relays and separately fused DC supplies.
- 1.1.4 The standard transformer winding connection is LV delta B HV wye. Any other winding connections shall require the approval of the Transmitter. The Transmitter shall give its approval if it is satisfied that the reliability of its transmission system is not affected.
- 1.1.5 Transmitter approval is required before grounding the neutral of power transformer windings at tapped transmission system stations.

1.2 Typical Generator Protection

- 1.2.1 The typical technical requirements for protection should be followed, as set out in Exhibit E.1 of Schedule E and Exhibits F.1 and F.2 of this Schedule F.
- 1.2.2 The typical protections used are shown in Exhibit F.3 of this Schedule F.

1.3 Protection against Internal Faults

- 1.3.1 The Customer shall provide a protection package to detect and isolate faults on its equipment as required by the Transmitter to respect the stability and reliability of the transmission system, equipment ratings, and safety requirements.
- 1.3.2 Transmission system reliability may require two transformer differential protections (A87, B87) and low-voltage breaker failure protection, as shown in Exhibit F.2 of this Schedule F.
- 1.3.3 When two transformer differential protections are not required, one transformer differential and one overcurrent protection shall suffice. The timing of this overcurrent protection shall not exceed 1.6 seconds. The Customer shall coordinate all its internal overcurrent protections.

1.4 Protection against External Faults

- 1.4.1 The technique used for ground detection varies according to and depends on the type of winding configuration chosen for the power transformer.

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- 1.4.1.1 if the transformer is connected ungrounded wye or delta on the primary, then ground undervoltage (64-27) and ground overvoltage (64-59) protections as shown in Appendix 11 are required to detect ground faults.
- 1.4.1.2 where the Transmitter has accepted a solidly grounded wye connection on the primary (Yg/D or Yg/Yg), ground overcurrent (64) protection(s) in the transformer neutral may be used to detect ground faults, as shown in Exhibit G.2 of Schedule G.
- 1.4.2 Typical protections that may be installed are: Distance Instantaneous and Timed (21), Phase Directional Overcurrent (67), Voltage Restrained Overcurrent (51V), Overcurrent (50/51), and Undervoltage (27), as shown in Exhibits F.1 and F.2 of this Schedule F.
- 1.4.3 To provide reliable phase-fault detection, the timed distance protection shall overreach the apparent impedance of the transmission line.
- 1.4.4 A remote/transfer trip system may be required to trip one or more breakers at the Customer’s Facility (?) or to trip breakers at a remote station.
 - 1.4.4.1 protections that initiate opening of the remote supply breakers on the transmission system shall at the same time initiate opening of the main transformer high-voltage disconnect switch or line disconnect switch.
 - 1.4.4.2 a signal that opens remote breakers on the transmission system shall be automatically removed when the main transformer disconnect switch or line disconnect switch opens. The signal shall only “seal-in” if the disconnect switch fails to open.
 - 1.4.4.3 for DC remote tripping or transfer tripping, the Customer shall provide all necessary equipment associated with two monitored teleprotection channels of adequate conductance between the Customer’s station and one of the Transmitter’s terminal stations or tapped stations. Normally two circuits in the same cable would be acceptable, but to satisfy transmission system requirements, two separate cables following separate routes may be required. Customers[or should this be Storage Facility?] shall use relays and associated equipment following good utility practice guidelines and are compatible with the Transmitter’s remote trip or transfer trip equipment.
- 1.4.5 The protective setting to detect islanding/abnormal condition for smaller Storage Facilities shall be different from that used for larger Storage Facilities.
 - 1.4.5.1 protections that may be required to detect islanding/abnormal conditions include, but are not limited to, Overvoltage (59), Undervoltage (27), Voltage balance (60), Overfrequency (81 O), and Underfrequency (81 U), as shown in Exhibits F.1 and F.2 of this Schedule F.
 - 1.4.5.2 the frequency-protection settings on larger Storage Facility units shall coordinate with the provincial load-shedding system and with requirements of reliability organizations.

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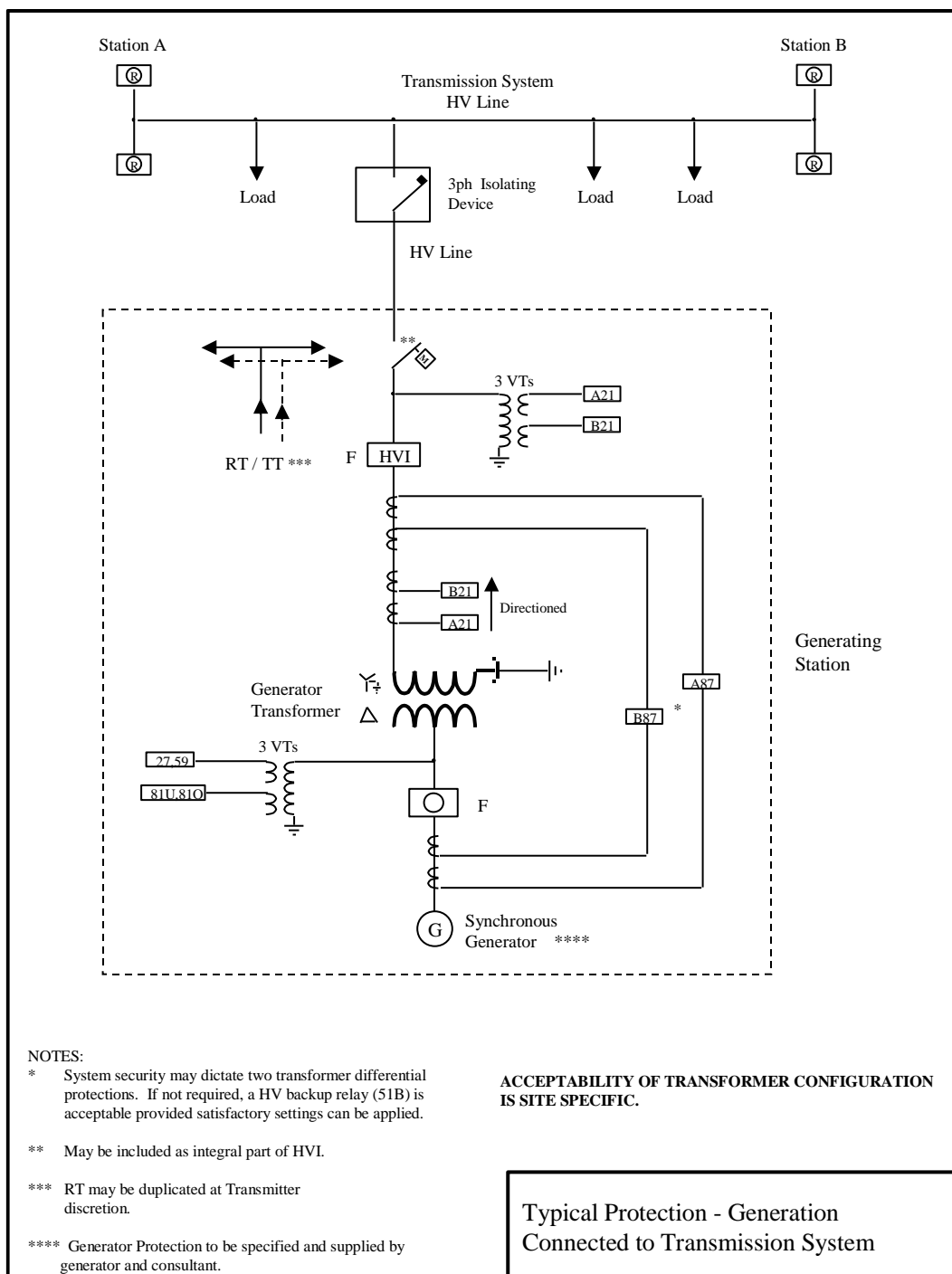
- 1.4.6 Blocking relays (21 BL) with remote signal-sending auxiliaries at the generating station and receiving auxiliaries at the transmission (terminal) station(s) may be required to prevent the Transmitter’s distance relays from operating due to faults on the Customer’s low-voltage bus. Communication media between the stations, similar to a single remote/transfer trip channel, would then be required for the blocking system, to prevent incorrect relay operation for this condition.

1.5 Autoreclosure and Manual Energization

- 1.5.1 The Customer shall provide suitable equipment to protect its plant and equipment for any conditions on the transmission system such as reclosing, faults, and voltage unbalance.
- 1.5.2 Following a protection operation on a transmission line, the transmission breakers, located mainly in network switching and/or transformation stations, shall autoreclose after a certain time delay. Where the Customer is directly connected to the transmission line, or for configurations where the Customer could be damaged by autoreclosure of the line, the Customer shall provide a reliable means of disconnecting its equipment before autoreclosure. The Customer is responsible for protecting its own equipment and the Transmitter is not liable for damage to the Customer’s equipment except as stipulated in section 15 of the Connection Agreement. The Customer may request a means of supervising the transmission autoreclosure prior to the disconnection of its equipment e.g. changes in protection logic at one or both stations to reduce the risk of such events. The criteria governing the use of reclosures are set out in the Ontario Hydro “Policies, Principles & Guidelines” document “C-3.4.1(R1), Automatic Reclosure and Manual Energization on Bulk System Electricity Circuits”, which was in effect as of April 1, 1999.
- 1.5.3 A Customer’s transmission system breaker shall not autoreclose without the Transmitter’s approval.
- 1.5.4 Manual energization of a Transmitter’s line by a Customer’s facilities is permitted only under the Transmitter’s direction.

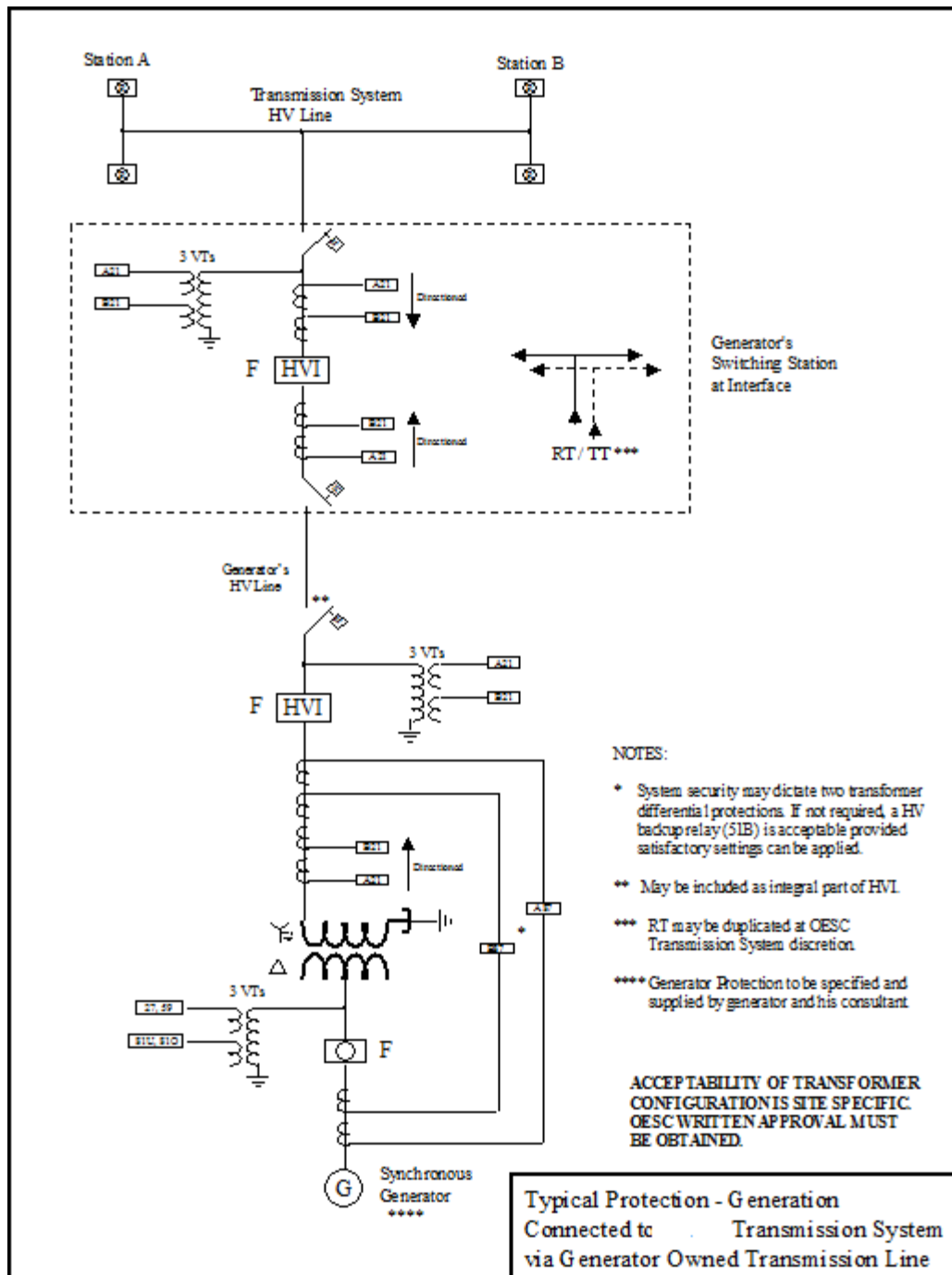
SCHEDULE F (CONT'D)

EXHIBIT F.1 TYPICAL **GENERATOR** PROTECTION REQUIREMENTS



SCHEDULE F (CONT'D)

EXHIBIT F.2 TYPICAL CUSTOMER-OWNED TRANSMISSION LINE PROTECTION REQUIREMENTS



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PROTECTION REQUIREMENTS

EXHIBIT F.3 TYPICAL GENERATOR PROTECTIONS

The following are typical Facility protections. The actual ones are to be specified and supplied by the Customer and its consultants. The Transmitter will be interested in the capabilities and settings of the frequency protections and voltage protections. The settings of the frequency protections on large units must comply with NPCC performance requirements. All protections settings must be submitted to the Transmitter and the IESO.

Typical Protections

Thermal Units	Protections	Hydraulic Units	Protections
Differential	A87,B87	Differential	A87,B87SP
Stator Ground	A64N,B64N	Stator Ground	A64N,B64N
Loss of Excitation	A40,B40	Loss of Excitation	B40
Phase Unbalance	A46,B46	Phase Unbalance	A46
Over/under frequency	B81H,B81L	Overvoltage	A59
Over/under excitation	A59H,A59L	Phase Backup	B21B
Out-of-step	B21	Over/under frequency	B81H,B81L
Low Forward Power	A32,B32	Condense-to-Generate	B81-83
Sup Start Phase	A50S		
Sup Start Ground	A64S		
U/F Supervision	A81S		
Speed Switch	A14S		

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**SCHEDULE F.1
ADDITIONAL TECHNICAL REQUIREMENTS FOR TAPPED TRANSFORMER
STATIONS SUPPLYING LOAD:**

- (a) Transmitter’s Tapped Transformer Stations; and
- (b) Distributor’s and Consumer’s Tapped Transformer Stations

1.1. Supply Considerations

- 1.1.1 A high-voltage interrupting (HVI) device shall provide clearing of faults in the load Customer's system. HVIs shall be provided with appropriate back-up protection. The HVI shall be a circuit breaker located at the connection point unless the Transmitter authorizes another device or location.
- 1.1.2. The Transmitter shall determine, in consultation with its Customers, the supply voltage to the Customer. The 115 kV or 230 kV voltage shall be generally used for supply of Customers with a peak demand of 20 MW or more.
- 1.1.3. Tapped transformers of Transmitters and Customers, excluding those that are deemed compliant under section 4.6 of the code, shall have adequate on-load tap-changer or other voltage-regulating facilities to operate continuously within normal variations on the transmission system as set out in the Market Rules and to operate in emergencies with a further transmission system voltage variation of \pm six per cent (\pm 6%).
- 1.1.4. The neutrals of the power transformer primary windings at transmission system tapped stations are normally not grounded. Transmitters shall approve grounded transformers by exception only.
- 1.1.5. Customers shall participate in load shedding to meet reliability standards.
- 1.1.6. A transmission system breaker of a Customer shall not autoreclose without Transmitter’s approval.
- 1.1.7. A Customer shall not manually energize a Transmitter’s line without the Transmitter’s approval.
- 1.1.8. To meet the minimum general requirements for all equipment connected to the transmission system, a Customer may have to install any necessary equipment, including, for example, capacitors and filters.

1.2. Protection Requirements

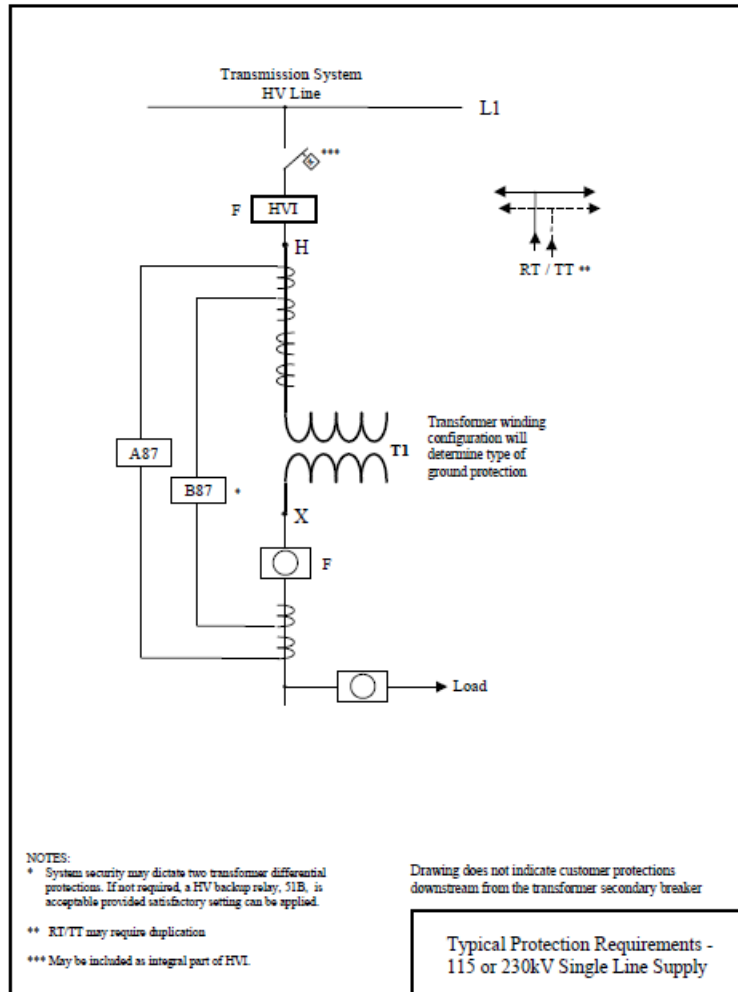
- 1.2.1. The typical technical requirements for Distributor and Consumer protection shall be followed, as presented in Exhibit E.1 of Schedule E and Exhibits F1.1 and F1.2 of this Schedule F.1.1.
- 1.2.2. Line protections are required when transformers connected to separate supply circuits are operated in parallel on the low-voltage side, or if a large synchronous infeed exists at the low-voltage bus.

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- 1.2.3. Directional current sensing relays may be required to detect infeed into faults within the transmission system and isolate the Customer’s contribution to the fault. Distance or impedance (21) relays as specified in Exhibit F.2 of this Schedule F.1, usually serve this need.
- 1.2.4. If the transformer is connected ungrounded wye or delta on the primary, then ground undervoltage (64-27) and ground overvoltage (64-59) protections as shown in Exhibit F.2 of this Schedule F.1 are required to detect ground faults.
- 1.2.5. Where the Transmitter has accepted transformers connected wye-grounded on the primary (Yg/D or Yg/Yg), a ground-overcurrent relay (64) as indicated in Exhibit F1.2 of this Schedule F.1, connected in the transformer neutral, may be used for detection.
- 1.2.6. Where remote/transfer trip circuits are used for transformer faults to trip the Transmitter’s line breakers at the terminal stations, the Customer shall use a motor-operated transformer disconnect switch at its station to provide a point of separation from the transmission system. Energization of remote/transfer trip and opening of the disconnect switch (89) shall be initiated simultaneously from the protection circuits. Full opening of the disconnect switch shall block sending of remote triO.
- 1.2.7. For a DC remote trip on a 115-kV system, the Customer shall provide all necessary equipment associated with one monitored teleprotection channel between its station and one of the supply terminal stations or tapped stations. Industry standard relays and associated equipment that is compatible with the Transmitter’s remote trip equipment shall be used. A 115-kV transfer trip shall have a similar requirement, except that audio-tone equipment shall be used instead of the DC battery voltage.
- 1.2.8. For a DC remote trip on a 230-kV system, the Customer shall provide all necessary equipment associated with two monitored teleprotection channels between its station and one of the supply terminal stations or tapped transformer stations. Normally two circuits in the same cable would be acceptable, but two separate cables going by and following separate routes may be required. The Customer shall use industry standard relays and associated equipment that is compatible with the Transmitter’s remote trip equipment. A 230-kV transfer trip shall have a similar requirement, except that audio-tone equipment shall be used instead of the DC battery voltage.

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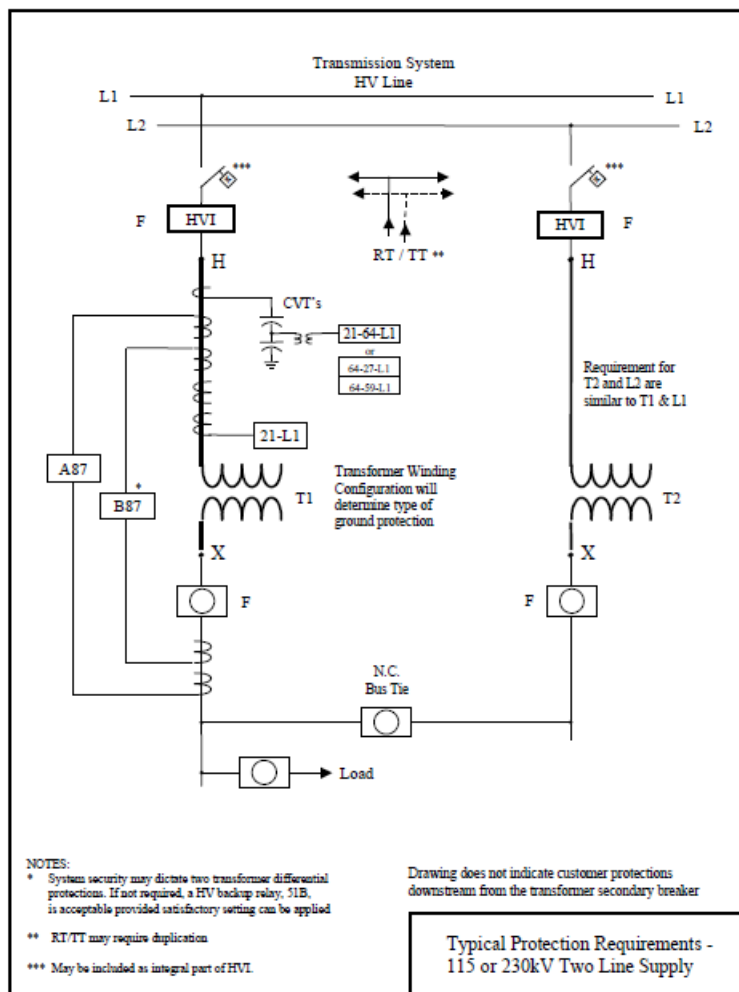
Exhibit F.1 Typical Single-Line Protection Requirements



Any reference to Exhibit F.1 above shall be deemed to be Exhibit F1.1

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Exhibit F.2 Typical Two Line Protection Requirements



Any reference to Exhibit F.2 shall be deemed to be Exhibit F1.2.

**SCHEDULE G
PROTECTION SYSTEM REQUIREMENTS**

- 1.1 Telecommunications
 - 1.1.1 The telecommunication facilities, used for protection purposes, shall have a level of reliability consistent with the required performance of the protection system.
 - 1.1.2. The Transmitter shall specify to all customers the telecommunication channel media and protective systems. These requirements apply to the facilities that interface between the Customer and the Transmitter.
 - 1.1.3. Telecommunication circuits used for the protection and control of the transmission system shall be dedicated to that purpose.
 - 1.1.4. Intentionally left blank.
 - 1.1.5. Telecommunication systems shall be:
 - 1.1.5.1. designed to prevent unwanted operations such as those caused by equipment or personnel;
 - 1.1.5.2. powered by the station’s batteries or other sources independent from the power system; and
 - 1.1.5.3. monitored in order to assess equipment and channel readiness.
 - 1.1.6. Major disturbances caused by telecommunication failures shall have annual frequency of less than 0.002 per year from the dependability aspect and less than 0.002 per year from the security aspect or as otherwise prescribed by the Transmitter.
 - 1.1.7. Telecommunication protection for a single transmission system circuit shall be unavailable for no more than forty two (42) minutes per year, and for two circuits no more than four (4) minutes per year or as otherwise prescribed by the Transmitter.
 - 1.1.8. The telecommunication false-trip rate used as part of a protection system for a single transmission system circuit is no more than 0.1 false trips per year, and for two circuits is no more than 0.001 false trips per year unless otherwise prescribed by the Transmitter.
 - 1.1.9. Total transmission system circuit trips coincident with telecommunications failure are not more than 0.001 per year unless otherwise prescribed by the Transmitter.
- 1.2. **Test Schedule for Relaying Communication Channels**
 - 1.2.1. Communication channels associated with protective relaying shall be tested at periodic intervals in accordance with applicable reliability standards to verify that

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the channels are operational and that their characteristics are within specific tolerances. Testing should include signal adequacy tests and channel performance tests. The transmitter shall establish testing intervals for any communication channels not otherwise subject to reliability standards.

1.3. Verification and Maintenance Practices

- 1.3.1. Customers shall perform routine verifications of protection systems on a scheduled basis in accordance with applicable reliability standards. The Customer shall establish verification intervals for any protection systems not otherwise covered by the requirements of a reliability organization. The reverification period for those protection systems is to be entered in the agreement and initialed by the parties. The customer shall re-verify after a change is made to an existing protection system.
- 1.3.2. Intentionally left blank.
- 1.3.3. Intentionally left blank.
- 1.3.4. Customers shall ensure that the functional testing of protection and metering can be properly performed and that all verification readings are obtainable.
- 1.3.5. The Transmitter shall co-ordinate the initial verification upon receipt of the approved and final set of drawings. The initial verification shall be used during the final commissioning phase of the station and shall be used as a basis for future periodic verifications.
- 1.3.6. The Transmitter and the Customer shall consult on the functional test procedures. The tests shall not begin until the procedure is accepted by the Transmitter. If they cannot agree, the supply or continuity of supply shall depend on the performance of the tests that the Transmitter shall require.
- 1.3.7. Before the initial functional tests are performed, the Customer shall supply the Transmitter with written documentation that shall readily provide confirmation that appropriate verifications have been completed and that all calibrations, tests, etc., have been performed. For components that may affect the transmission system (such as relays, meters, etc.), the Customer must satisfy the Transmitter that the proper settings have been applied.
- 1.3.8. Customers shall make available to the Transmitter records of relay calibrations and protection verifications, so that records of the facility’s performance can be maintained. The specific records required shall be identified in this Agreement.

1.4. Functional Tests and Periodic Verification

- 1.4.1. Upon verification that the Customer’s static tests on protection and control equipment, outlined in the Code and this Connection Agreement, have been satisfactorily completed, a series of tests shall be performed with the equipment in a

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dynamic mode. These tests shall ensure that the equipment performs correctly when it should and also that it will not operate improperly.

- 1.4.2. These tests are here described only in general terms, since the specific tests to be performed will differ depending on the particular station configuration, the components or equipment used, and the design philosophy of the circuitry.
- 1.4.3. For direct current (DC) circuitry checks, the Transmitter shall thoroughly check the logic of the Transmitter’s auxiliary circuitry and the Customer shall thoroughly check the Customer’s auxiliary circuitry with the DC applied and the initiating devices suitably energized to initiate the process. Operation or tripping of any interrupting or isolating devices shall always be verified, as well as local and/or remote annunciation.
- 1.4.4. “On potential” checks shall follow all necessary preliminary procedures. The main equipment shall be energized but not placed on load. The Customer shall check all readings of potentials, including determination of correct phasing/phase rotation. The test must also demonstrate that all equipment performs as expected when energized and is in condition to have primary load applied.
- 1.4.5. Customers shall make “On-Load” checks following the application of appropriate load, voltage, current, phase angle or crossed wattmeter readings at the appropriate instrument transformer outputs or protection input points, to ensure that all quantities are appearing as required with respect to magnitude, phase relation, etc. These checks are to determine that relays are properly connected and that the watt and var checks of all indicating and referenced equipment are correct. At times it may be necessary to repeat some or all tests, e.g., relay performance, using load currents.

1.5. Failure Protection for High-Voltage Interrupting Devices (HVIs)

- 1.5.1. Provisions shall be made to clear the fault in case the HVI fails to isolate the fault. The requirements for HVI failure protection vary depending on the maximum permissible fault duration and the location of the connection on the transmission system. Some portions of the transmission system are designed and operated to more stringent requirements to avoid adversely affecting neighbouring transmission systems.
- 1.5.2. The HVI failure protection will initiate remote or transfer trip circuits and the opening of the motor-operated disconnection switch unless otherwise prescribed by the Transmitter.
- 1.5.3. In portions of the transmission system having less stringent requirements, the HVI failure protection may be achieved by opening the motor-operated disconnect switch. If the disconnect switch experiences a flashover, the line protection at the transmission station(s) shall operate to isolate the fault.

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- 1.5.4. Automatic ground switches are not acceptable for any new installations for triggering line protection operation.
- 1.5.5. When circuit switchers are used, the interrupter and disconnect switch shall operate independently. Protections that trip the interrupter shall simultaneously initiate opening of the disconnect switch.
- 1.5.6. The DC voltage supplied to the interrupter and disconnect switch shall be fed from separately fused and monitored DC supplies: that is, by two (2) DC cables to the control cabinet.

1.6. Instrument Transformers

- 1.6.1. Current transformer output shall remain within acceptable limits for all anticipated fault currents and for all anticipated burdens connected to the current transformer.
- 1.6.2. Current transformers should be connected so that adjacent relay protection zones overlap. Where they do not overlap, the Transmitter may approve alternative mitigation at its discretion.
- 1.6.3. Voltage transformers and potential devices shall have adequate volt-ampere capacity to supply the connected burden while maintaining their accuracy over the specified primary voltage range.
- 1.6.4. For each independent protection system, separate current and voltage transformer or potential device secondary windings shall be used, except on low-voltage devices.
- 1.6.5. Interconnected current transformer secondary wiring and voltage transformer secondaries shall each be grounded at only a single point.

1.7. Battery Banks and Direct Current Supply

- 1.7.1. The Customer shall ensure that if either the battery charger fails or the AC supply source fails, the station battery bank shall have enough capacity to allow the station to operate for at least eight hours for a single battery system or at least six hours for each of the batteries in a two battery system.
- 1.7.2. Critical DC supplies such as relay protection circuits and high voltage interrupters (HVI) shall be monitored and alarmed.

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- 1.7.3. For all Storage Facilities connected to the transmission system, two separately protected (fuse/breaker) and monitored DC station battery systems are required unless the Transmitter and the IESO determine otherwise.
- 1.7.4. For tapped transformer stations, one protected (fuse/breaker) monitored DC station battery system is required unless two systems are specified by the Transmitter.
- 1.7.5. Where two battery systems are required, there shall be a battery transfer scheme.
- 1.7.6. Where the use of a single battery system is allowed, the following conditions shall be met:
 - 1.7.6.1. it can be tested and maintained without removing it from service;
 - 1.7.6.2. each protection system shall be supplied from physically separated and separately fused direct current circuits; and
 - 1.7.6.3. no single contingency other than failure of the battery bank itself shall prevent successful tripping for a fault.

**SCHEDULE H
FACILITIES DEEMED COMPLIANT AND OBLIGATION TO COMPLY**

H.1. IDENTITY OF DEEMED COMPLIANT FACILITIES

H.1.1. The following Customer facilities are deemed compliant in accordance with section 4.6.1 of the Code:

All Customer facilities installed after May 1, 2002.

H.1.2. The following Transmitter’s transmission facilities are deemed compliant in accordance with section 4.6.1 of the Code:

All Transmitter facilities identified in Schedule A of this Agreement.

H.2. COMING INTO COMPLIANCE

H.2.1. The Transmitter may, where the Board has approved its rules and procedures referred to in section 4.6.3 of the Code, require that some or all of the Customer’s facilities to which section 4.6.1 of the Code applies be brought into actual compliance with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2. The Transmitter may impose this requirement in relation to such facilities whether or not they are identified in section H.1.1. The Transmitter may impose this requirement only:

- (a) in relation to that portion of the Customer’s facilities in respect of which the Transmitter has made a determination referred to in section 4.6.2 of the Code; and
- (b) in accordance with the Transmitter’s Board-approved rules and procedures referred to in section 4.6.3 of the Code.

H.2.2. The Customer shall, upon being required by the Transmitter to do so under section H.2.1, bring its facilities into actual compliance with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2, to the extent required by the Transmitter and in accordance with the rules and procedures referred to in section H.2.1(b). Responsibility for the costs of bringing such facilities into actual compliance shall be determined in accordance with the Transmitter’s Board-approved rules and procedures referred to in section 4.6.3 of the Code.

H.2.3. Where Customer facilities are brought into actual compliance under section H.2.2, the Parties shall amend section H.1.1 as required.

H.2.4. Where the Transmitter’s transmission facilities are brought into actual compliance, the Parties shall amend section H.1.2 as required.

**SCHEDULE I
EXCHANGE OF INFORMATION**

I.1. INFORMATION TO BE PROVIDED BY THE TRANSMITTER

I.1.1. Subject to section I.1.2, the Transmitter shall, at the Customer’s request, provide the following information to the Customer provided that such information is available at the relevant time:

- (a) feeder amperes per phase;
- (b) bus voltage;
- (c) real and reactive power flow per feeder (where available; otherwise per bus level);
- (d) feeder breaker open/close status;
- (e) feeder breaker recloser blocked/not blocked status;
- (f) bus tie breaker open/close status;
- (g) capacitor bank breaker open/close status; and
- (h) transformer/bus breaker open/close status.

I.1.2. The Customer shall be entitled to the information referred to in section I.1.1 only to the extent that:

- (a) the information relates specifically to the connection of its own facilities;
- (b) the information is relevant to the connection of its own facilities; and
- (c) the Transmitter is not prohibited by its confidentiality obligations as set out in the Code or its licence from providing that information to the Customer.

I.1.3. The Transmitter shall provide the Customer with the following additional information:

- (a) at the Customer’s request, a “relay and breaker trip report” for any operation of a breaker or transfer trip relay and that includes the date and time of the breaker or transfer trip operation and reclose or close, the cause of the incident if known and the quantity of load lost;
- (b) megawatt and megavar readings, excluding revenue-metered quantities; and

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- (c) [any additional information items as determined by the Parties to be required based on site specific considerations]

I.1.4. A Transmitter may provide information under section I.1.1 or I.1.3 by means of posting the information on a website that is dedicated to the Customer.

I.2. INFORMATION TO BE PROVIDED BY THE CUSTOMER

I.2.1. To the extent that it has not already been provided to the Transmitter, the Customer shall provide the Transmitter with the same technical information provided to the IESO during any connection assessment and facility registration processes associated with the Customer’s facilities or any new, modified or replacement Customer Facilities. Such information shall be provided in the form outlined in the applicable sections on the IESO’s public website.

I.2.2. The Customer shall provide the Transmitter with updated versions of the technical information referred to in section I.2.1 in the event of a material change in such information.

I.2.3. The Customer shall provide the Transmitter with such information as the Transmitter may reasonably require in order to perform a Customer Impact Assessment.

I.2.4. To the extent that it has not already been provided to the Transmitter under another section of this Agreement or is not reasonably expected to already be known by the Transmitter, the Customer shall provide the Transmitter with the date and time at which the Customer’s facilities are connected or reconnected to, or disconnected from, the Transmitter’s transmission facilities.

I.2.5. The Customer shall notify the Transmitter in the event that its facilities are not being operated or maintained in accordance with the requirements of this Agreement.

I.2.6. The Customer shall provide the Transmitter with the following additional information:

- (a) the date and time at which any of the Customer’s supply circuit breakers or high voltage interrupting switches automatically trips;
- (b) information pertaining to the operation of any of the Customer’s automatic protective relays that has an impact on the Transmitter’s transmission facilities;
- (c) changes in the Customer’s operating setup or operating diagrams relative to the information contained in Schedule A or any updates or amendments thereto;

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- (d) at the Transmitter’s request, line and load data required for protective relay settings;
- (e) at the Transmitter’s request, protective relay settings on equipment protection systems; and
- (f) at the Transmitter’s request, annual facility performance data as may be required to enable the Transmitter to meet its reporting obligations to any reliability organization.

I.3. INFORMATION TO BE PROVIDED BY EITHER PARTY

I.3.1. Each Party shall provide the other with the following information:

- (a) any temporary or permanent changes in the configuration of the Party’s facilities that may affect the security of those facilities, load distribution, protective relay settings or other parameters;
- (b) details of defective equipment or hazardous conditions that may become known to the Party’s Controlling Authority but not to the Controlling Authority of the other Party;
- (c) planned changes in the Party’s facilities that affect the operation of those facilities; and
- (d) such other information as the other Party may reasonably require for the purpose of fulfilling its obligations under this Agreement.

I.3.2. Where applicable, the Parties shall amend Schedule A to reflect any information provided by a Party to the other under this Schedule.

[SCHEDULE I - ATTACHMENT E FOLLOWS]

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SCHEDULE I - ATTACHMENT E
Facility Registration Equipment Information and Load Data
Utilization of Hydro One Networks Inc. Assumptions and Missing Customer Data in
Schedule I - Attachment E

The Customer shall provide the Transmitter with all outstanding, missing or revised required data designated “R” for Schedule “I” - Attachment E

The Parties acknowledge and agree that if the Transmitter has assisted the Customer in any way in producing or generating, in whole or in part, the Customer Connection Information set out in Schedule “I”, Attachment E by the provision or utilization of any assumptions (the “Assumptions”) or in any other manner, the Transmitter has done so upon the instruction and direction of the Customer. The Customer assumes all responsibility and liability for the truth, accuracy and veracity of the Customer Connection Information, despite the provision of the Assumptions or any other information utilized by the Transmitter in the absence of supplied data, and the Customer releases, indemnifies and saves harmless the Transmitter from and against any and all damages, losses, costs, or expenses (the “Claims”) arising in connection therewith or in relation thereto.

PART A: Generic Information

[This Information is for use by both the Transmitter and the IESO]

Submission Date		
Identification	Market participant identifier	
	Facility identifier	
Service Dates	Initial in-service:	
	Permanent in-service:	
	Permanent out-of-service:	
** Protection System Description (for Transmitters only)	A functional description of all protective systems shall be provided to allow a detailed analysis of all credible contingencies. These descriptions shall include, but are not limited to, the following: <ul style="list-style-type: none"> Operating times for protection components (e.g. primary relaying, auxiliary relaying, communication), General models for normal and delayed (breaker failure) fault clearing, and Exceptions to the general model (e.g. LEO, HIROP). For all recognized contingencies, the functional description must enable fault clearing times at all terminals to be determined for both normal and delayed clearing. This Information is required from Generators and connected wholesale Customers only upon request.	See Schedule A
Parameters and practices for thermal limit calculations	Equipment parameters to enable continuous and limited time ratings to be calculated under prevailing and predicted conditions. All practices that could have a bearing on equipment operation shall be reported. These include but are not (AMPCO) limited to the following: <ul style="list-style-type: none"> ferrous or non-ferrous connectors bolted or not-bolted connections indoor or outdoor locations 	Schedule I, Attachment E, Part F - Equipment Forms
Relay Information	Settings and characteristics to enable relay margin analysis of credible contingencies:	See Schedule A
Detailed Single-Line	A detailed single-line diagram showing equipment and protection and telemetry points	Refer to Part F – Submission Index
Test Results	Copies of all commission tests to all power system components	To be completed later.

******Refer to Schedule I, Attachment E, Part F “Other Data the Customer Must Submit to Transmitter”
(Hydro One Networks P&C review of customer TS.)

Notes:

- (1) The Information collected in this Attachment has been taken from the previously executed connection agreement if applicable and IESO's Facility Registration Documentation.
- (2) All Customers are to complete the relevant portions of the following appendices to describe their facilities. Customers also shall provide nameplate data for equipment directly connected to the transmission system upon request.
- (3) Impact Information requirements are intended to describe facilities in enough detail to allow a Connection Agreement to be executed.
- (4) Connection Information requirements are intended to describe facilities in enough detail to allow them to be placed in service.

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PART B: Information Concerning Storage Facilities

[This Information is for use by both the Transmitter and the IESO]

Applicable to this Customer's Connection

Unit Data	Identifier						
	Manufacturer						
	Serial Numbers						
	Type (e.g. salient pole, round rotor, induction)						
	Frequency (Hz)						
	NERC Unit type(e.g. Candu, Steam Turbine, Hydraulic Turbine, Wind Turbine)						
	NERC Status						
	NERC Cooling Water Source						
	NERC Fuel Type (primary, alternate)						
	NERC Fuel Transportation (primary, alternate)						
	NERC Capacity (summer, winter)						
	NERC Primary fuel heat rate at full load (BTU/kWhr)						
	Rated capability (MVA)						
	Rated voltage (kV)						
	Power Factor						
	Total rotational inertia of Generator and turbine (s)						
	Unsaturated reactances in pu on machine base						
	Xd NR X'd NR Xq Missing (H) X'qNR X _{1NR} X ₂ NR X ₀ NR						
	Open circuit time constraints NR						
	T'do T'do T'qo T''qo X ₀						
	Speed (RPM)						
	Station load (MW, Mvar)						
	Minimum power (MW)						
	Normal loading and unloading ramp rates (MW/min)						
	Emergency loading and unloading ramp rates (MW/min)						
	Armature (Ra) and field resistance (Rfd*) (Ω)						
	Saturation at rated voltage (S1.0) and 20% above (S1.2)						
	Rotational inertia for Generator without turbine (s) (required only upon request)						
	Damping						
	Base field current (A)						
	Base field voltage (volts)						
	Losses at 1.0 and 0.9 power factor (MW)						
	Characteristics	Open circuit saturation curve					
Short circuit curve							
V curves							
Capability curve							

*Field resistance for hydraulic units should be specified at 75°C and at 100°C for thermal units.

EXCITATION SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in-service parameter values for the exciter. Models for stabilizers, under-excitation limiters, and over-excitation limiters shall be provided where applicable.

For each unit 10 MVA or larger

GOVERNOR AND PRIME MOVER SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in service parameters values for the governor and prime mover (turbine). More detailed models would be required if off-nominal frequency or shaft torsional studies are required.

For each unit 10 MVA or larger

Legend:

R = Required

H = Assume

S = Missing

NR = Not required

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Part C: Impact Information Concerning Consumer and Distributor Facilities

Nature of Load	Composition (e.g. % industrial, % commercial, % residential)			
	Requirement for dual supply			
	Description of unusual sensitivity to voltage or frequency fluctuations			
	Description of unusual consequences of power outages			
Power Quality (upon special request)	Harmonics (frequency, magnitude)			
	Flicker (voltage change %, frequency Hz)			
	Phase Imbalance (%)			
	Variable Speed Drives		Demand (kVA)	
	Welding Equipment		Demand (kVA)	
	Static Converters		Demand (kVA)	
	Furnace		Demand (kVA)	
	Other discontinuous or harmonic rich load		Demand (kVA)	
	Capacitors		Demand (kVA)	
	Generators		Total Size (kVA)	
Existing Motors (≥ 2000 HP) New Motors (≥ 500 HP)	Type (e.g. squirrel cage, wound rotor, synchronous)			
	Rated capability (MVA)			
	Rated power factor			
	Starting method (e.g. full-voltage, resistive, reduced voltage, delta-wye)			
	Starts per day			

Connection

Load Shape Generator not Running, acts as load	Hours	November to April (Winter)		Maximum Demand		May to October (Summer)		Maximum Demand	
		Weekday	Weekend	Weekday	Weekend	Weekday	Weekend		
Plus starting motor Load, see curve	0-4	MW	Mvar	MW	Mvar	MW	Mvar	MW	Mvar
	4-8								
	8-12								
	12-16								
	16-20								
	20-24								
Induction Motors (≥ 25,000 HP and ≥ 500 HP per request)	Identifier								
	Rated capability (MVA or HP)								
	Rated power factor								
	Rated torque (per unit on machine base)								
	Rated slip (per unit on machine base)								
	Starting torque (per unit on machine base)								
	Starting current (per unit on machine base)								
	Starting power factor								
Synchronous Motors (≥ 2,000 HP and ≥ 500 HP per request) < 2000 HP ≥ 2000 HP ≥ 2000 HP ≥ 2000 HP ≥ 2000 HP	Identifier								
	Rated output (MVA or HP)								
	X''d (unsaturated subtransient reactance in per unit on machine base)								
	Rotational inertia constant H of motor and load (s)								
	Unsaturated reactances (per unit on machine base)								
	X _d	X' _d	X'' _d	X _q	X' _q	X'' _q	X _l	X ₂	X ₀
	Open circuit time constants (s)				T' _{do}	T'' _{do}	T' _{qo}	T'' _{qo}	
	Armature resistance (Ra) (per unit on machine base)								

EXCITATION SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in-service parameter values for the exciter. Models for stabilizers, under-excitation limiters, and over-excitation limiters shall be provided where applicable. For each synchronous motor 10 MVA or larger

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PART F: Other Data that the Customer must Submit to Transmitter.

1) Customer Protection and Control Information

<u>Equipment Registry Information</u>	<u>NS – TS- P&C</u>
1. Operating diagram with ownership markings	√
2. Single line diagram included, showing all protections (3- wire diagram acceptable)	
3. Power transformer nameplate data	
4. Relay settings & verification tests (Schedule I, Attachment E, Part A Generic Info),	
5. HV equipment operating & protection philosophy that are impactful on the Transmitter's transmission system	
6. Tripping Matrix (statements) for protections that are impactful on the Transmitter's transmission system	

Notes: Documents Submitted by Customer

CGS Submission Package Index

	<u>Drawing No. and Sheet No.</u>	<u>Rev.</u>	<u>Description</u>
1.		A	Meter Service Provider Single Line Diagram
2			
3.			
4.			
5.			
6			
7			

**Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of
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**SCHEDULE J
CONTACTS FOR PURPOSES OF NOTICE**

Customer:

Transmitter: Hydro One Networks Inc.
Key Account Management
483 Bay Street, TCT13
Toronto, Ontario M5G 2P5

Attention:

Tel:
e-mail:

**SCHEDULE K
SPECIAL PROVISIONS**

K.1. LIABILITY

- K.1.1. Despite section 15.1.2 but subject to sections K.1.2 and K.1.3, where the Customer uses the Transmitter’s breakers as HV interruption devices or for the purpose of synchronizing the Customer’s facilities to the Transmitter’s transmission system, the Transmitter shall not be liable to the Customer for any damage arising out of such use, even where such damage is arises out of the negligence or willful misconduct of the Transmitter.
- K.1.2. Subject to section K.1.4, where damage occurs to the Customer’s main output transformer (“MOT”) due to the negligence or wilful misconduct of the Transmitter, the Transmitter shall be liable to the Customer in an amount equal to:
- (a) the cost of repairing the MOT; or
 - (b) the cost replacing the MOT,
- whichever is the lower.
- K.1.3. Subject to section K.1.4, where damage occurs to the Customer’s electrical equipment upstream of the Customer’s MOT but within the powerhouse due to the negligence or wilful misconduct of the Transmitter, the Transmitter shall be liable to the Customer in an amount equal to 45% of the Customer’s Party Losses associated with such damage.
- K.1.4. In no event shall the Transmitter be liable to the Customer under section K.1.2 or K.1.3 in an amount greater than \$25 million for any event of negligence or wilful misconduct by the Transmitter. The Parties agree that this limitation of liability applies whether the damage suffered by the Customer is covered under section K.1.2, section K.1.3 or both.
- K.1.5. This section K.1 shall cease to apply in relation to any Party Losses suffered by the Customer that arise out of the negligence or wilful misconduct of the Transmitter on or after the date on which the Customer ceases to use the Transmitter’s breakers as HV interruption devices or for the purposes of synchronizing the Customer’s facilities to the Transmitter’s transmission system.

K.2. CUSTOMER-OWNED BREAKERS

- K.2.1. Within five years of the date of coming into force of this Agreement, the Parties shall conduct and complete studies concerning the installation by the Customer of its own breakers for HV interruption and for the purposes of synchronizing the Customer’s facilities to the Transmitter’s transmission system. The Parties shall then determine whether the installation of additional breakers by the Customer is warranted, and shall advise the Board of such determination.

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- K.2.2. Responsibility for any incremental costs incurred by the Transmitter as a result of the Customer not having its own breakers for HV interruption or for the purposes of synchronizing the Customer’s facilities to the Transmitter’s transmission system shall be determined by the Board.

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**SCHEDULE L
APPLICATION OF TRANSMISSION RATE SCHEDULE**

Tariff Delivery Point	Transmission Connection Point Number	Transmission Connection Point	Network Pool Charge	Transformation Connection Pool Charge	Line Connection Pool Charge

**SCHEDULE M
EMBEDDED GENERATION, BYPASS, ASSIGNED CAPACITY AND TRUE-UPS**

M.1 EMBEDDED GENERATION

- M.1.1 The Transmitter shall, for all purposes, treat a generation facility as embedded generation in relation to the Customer as required by section 11.1.1 or 11.1.2 of the Code.
- M.1.2. The Transmitter shall not, for any purposes, treat a generation facility as embedded generation in relation to the Customer as required by section 11.1.3 or 11.1.4 of the Code.
- M.1.3. The reference to for all purposes in section M.1.1 and to for any purposes in section M.1.2 includes the purpose of determining whether bypass compensation is required to be paid by the Customer and the purpose of determining the manner in which network charges will be applied.

M.2 BYPASS

- M.2.1. Where the Customer disconnects its facilities from the Transmitter’s connection facilities in the circumstances described in section 11.2.1 of the Code, the Customer shall pay bypass compensation to the Transmitter, determined in accordance with section 11.2.1 of the Code.
- M.2.2. The Customer may:
- (a) disconnect its facilities from the Transmitter’s connection facilities for the purpose of subsequently connecting its facilities to its own connection facilities or to connection facilities owned by a person other than the Transmitter; or
 - (b) transfer load from the Transmitter’s connection facilities to its own connection facilities or to connection facilities owned by a person other than the Transmitter.

In such a case and unless section M.2.3 or section 6.7.8 of the Code applies, the Customer shall pay bypass compensation to the Transmitter, determined in accordance with section 6.7.7 of the Code.

- M.2.3. The Customer shall not be required to pay bypass compensation under section M.2.2 in relation to any load that is transferred by the Customer to its own connection facilities or to connection facilities owned by a person other than the Transmitter that:
- (a) would, if it remained on the Transmitter’s connection facilities, overload those facilities beyond their normal supply capacity as determined in accordance with the Board-approved procedure referred to in section 6.2.7 of the Code or, in the absence of such Board-approved procedure, in accordance with section 6.1.8 of the Code; or
 - (b) is new load, determined in accordance with section 3.0.3 of the Code.

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M.2.4. Notwithstanding any other provision of this Schedule M, in no event shall the Transmitter require the Customer to pay any bypass compensation for any reduction in the Customer’s load served by the Transmitter’s connection facilities that the Customer has demonstrated to the reasonable satisfaction of the Transmitter (such as by means of an energy study or audit) has resulted from embedded renewable generation (determined in accordance with section 11.1 of the Code), energy conservation, energy efficiency or load management.

M.2.5. The Customer shall give the Transmitter no less than one years’ notice of the Customer’s intention to bypass the connection facilities of the Transmitter.

M.3. LOAD FORECAST AND CHANGES IN LOAD

M.3.1. Where an economic evaluation was conducted in relation to the connection of the Customer’s facilities, the following shall be set out in Attachment M1:

- (a) the load forecast provided by the Customer that was used for the purposes of that economic evaluation; and
- (b) the Customer’s load shape provided by the Customer, in such detail as to enable the Transmitter to appropriately assess the Customer’s system requirements.

M.3.2. The Customer shall, no later than October 1st of each year, notify the Transmitter of any anticipated material increase or decrease in:

- (a) the Customer’s load in relation to each connection point during the following year; and
- (b) the Customer’s summer peak demand or winter peak demand for each Delivery Point (as defined in Schedule B).

This obligation applies regardless of whether section M.3.1 applies in respect of the Customer. Where this section applies by virtue of the application of section 3.0.7 of the Code, the Customer shall not be required to comply with this obligation until October 1 of the calendar year that commences after the Code revision date.

M.3.3. Where the Customer provides a load forecast for any purpose under this Agreement, the Customer shall ensure that the load forecast is as accurate as possible and reflects, where applicable, reductions in load that are reasonably expected to result from embedded renewable generation (determined in accordance with section 11.1 of the Code), energy conservation, energy efficiency or load management.

M.4. ASSIGNED CAPACITY

M.4.1. The Customer’s assigned capacity on each applicable connection facility shall be determined in accordance with section 6.2.2 of the Code and shall be recorded by the Parties in Attachment M2. The Parties shall update that table from time to time as may be required, and may do so by having the Transmitter post updated versions of the table on a website dedicated to the Customer.

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M.4.2. The Customer’s contracted capacity on each applicable connection facility shall be determined in accordance with section 6.2.3 of the Code.

M.4.3. Where, after the date of coming into force of this Agreement, the Customer requires capacity on the Transmitter’s connection facility to serve load that is new load as determined in accordance with section 3.0.3 of the Code, it shall so notify the Transmitter. Provided that there is available capacity on the applicable connection facility and subject to section M.4.4, the Transmitter shall assign the required capacity to the Customer.

M.4.4. Where the Customer’s request for additional capacity on the Transmitter’s connection facility under section M.4.3 triggers the implementation of the Transmitter’s Board-approved available capacity procedure referred to in section 6.2.11 of the Code, any assignment of available capacity to the Customer shall be determined in accordance with that procedure or, in the absence of such Board-approved procedure, in accordance with section 6.1.8 of the Code.

M.4.5. Subject to section M.4.6, where the Transmitter has assigned capacity on a connection facility to the Customer under section M.4.3 and the Customer has not taken up that additional capacity within one year of the assignment, the Transmitter shall cancel that assignment.

M.4.6. Where the circumstances warrant, the Customer may request an extension of the one-year period referred to in section M.4.5, and the Transmitter shall not unreasonably deny such request. Any dispute arising between the Parties in relation to the extension of such one-year period shall be submitted to the Board for resolution.

M.4.7. Capacity on a connection facility that has been assigned to the Customer shall not be reassigned:

- (a) by the Transmitter without the consent of the Customer except in accordance with the Code; or
- (b) by the Customer except in connection with a change in ownership of the Customer’s facilities.

The Transmitter shall, at the request of the Customer, reassign the Customer’s assigned capacity on a connection facility to reflect a change in ownership of the Customer’s facilities.

M.4.8. Capacity on a connection facility that has been assigned to the Customer shall not be cancelled by the Transmitter without the consent of the Customer except in accordance with section M.4.5.

M.4.9. The Customer shall provide such information and assistance as the Transmitter may reasonably require in relation to the conduct by the Transmitter of an expansion study under section 6.2.14 of the Code.

M.5. TRUE-UPS

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- M.5.1. The Transmitter shall carry out true-up calculations in accordance with section 6.5 of the Code.
- M.5.2. For the purposes of enabling the Transmitter to carry out a true-up calculation referred to in section M.5.1, the Customer shall provide the Transmitter with an updated load forecast. The Parties shall amend Attachment J1 to reflect that updated load forecast.
- M.5.3. Where the Customer voluntarily and permanently disconnects any facilities from the Transmitter’s facilities prior to the last applicable true-up point determined in accordance with section 6.5.3 of the Code, the transmitter shall at the time of disconnection carry out a final true-up calculation as required by section 6.5.11 of the Code.
- M.5.4. Where the Transmitter has carried out a true-up calculation under section M.5.1 or M.5.3:
- (a) the Customer shall make a payment to the Transmitter where the results of the true-up calculation so require as set out in section 6.5.6 or 6.5.11 of the Code; or
 - (b) the Transmitter shall credit or rebate an amount to the Customer where the results of the true-up calculation so require as set out in section 6.5.7 or 6.5.11 of the Code.

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**Attachment M1
Customer’s Load Forecast and Load Shape
(as required by section M.3.1 of Schedule M)**

[To be completed by the Parties]

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**Attachment M2
Customer’s Assigned Capacity
(as required by section M.4.1 of Schedule M)**

Tariff Delivery Point	Supply Voltage (kV)	Tx Connection Point Number	Tx Connection Point	Customer=s Assigned Capacity (MW)	Effective Assignment Date	Requested Change in Capacity (MW)	Reservation Dates

**Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of
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**SCHEDULE N
MISCELLANEOUS**

(Includes any terms from the CCRA which are required to be terms of the TCA)

TRANSMISSION CONNECTION AGREEMENT

Between

INSERT FULL LEGAL NAME OF STORAGE PROVIDER

And

HYDRO ONE NETWORKS INC.

TRANSMISSION CONNECTION AGREEMENT

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¹ This is a new name for the Schedule J that exists in the form of Connection Agreement for Load Customers.

TRANSMISSION CONNECTION AGREEMENT

This Connection Agreement is made this ____ day of _____, ~~20~~ 202,

BETWEEN

HYDRO ONE NETWORKS INC., a corporation duly incorporated under the laws of Ontario
(the “**Transmitter**”)

AND

INSERT FULL LEGAL NAME OF STORAGE PROVIDER (the “**Customer**”)

(each a “Party” and collectively the “Parties”)

RECITALS

WHEREAS the Customer has connected or wishes to connect its facilities to the Transmitter’s transmission system.

AND WHEREAS the Transmitter has connected or has agreed to connect the Customer’s facilities to its transmission system.

AND WHEREAS in accordance with its licence and the Market Rules, the Transmitter has agreed to offer, and the Customer has agreed to accept, transmission service in relation to the Customer’s facilities.

NOW THEREFORE in consideration of the foregoing, and of the mutual covenants, agreements, terms and conditions herein contained, the Parties, intending to be legally bound, hereby agree as follows:

PART ONE
GENERAL

1. DEFINITIONS

- 1.1 In this Agreement, unless the context otherwise requires:
- 1.1.1 “Agreement” means this connection agreement and all of the Schedules;
- 1.1.2. “Code” means the Transmission System Code issued by the Board and in effect at the relevant time;
- 1.1.3. “Confidential Information” in respect of a Party means (a) information disclosed by that Party to the other Party under this Agreement that is in its nature confidential, proprietary or commercially sensitive and (b) information derived from the information referred to in (a), but excludes information described in section 21.1;
- 1.1.4. “Controlling Authority” in respect of a Party means the person appointed by that Party as responsible for performing, directing or authorizing changes in the condition or physical position of electrical apparatus or devices;
- 1.1.5. “Cure Period” means the period of time given to a Defaulting Party for the purposes of remedying an Event of Default, determined in accordance with section 19.2.1;
- 1.1.6. ”Default Notice” has the meaning given to it in section 19.1.1;
- 1.1.7. “Defaulting Party” means a Party in relation to whom an Event of Default has occurred or is occurring;
- 1.1.8. “End of Cure Period Notice” has the meaning given to it in section 19.2.3;
- 1.1.9. “Event of Default” means a Financial Default or a Non-financial Default;
- 1.1.10. “Export Transmission Service” has the meaning given to it in the Transmitter’s Rate Order;
- 1.1.11. “Financial Default” in respect of a Party means a failure by that Party to pay an amount to the other Party when due under this Agreement, including failure to pay compensation or indemnification for loss or damage agreed to by the Parties or for amounts determined to be owed to a Party as a result of the settlement or resolution of a dispute arising under this Agreement;
- 1.1.12. “Force Majeure Event” in respect of a Party means any event or circumstance, or combination of events or circumstances: (a) that is beyond the reasonable control of that Party; (b) that adversely affects the performance by the Party of its obligations under this Agreement; and (c) the adverse effects of which could not have been foreseen and prevented, overcome, remedied or mitigated in whole or in part by the Party through the exercise of due diligence and reasonable care, provided however that the lack, insufficiency or non-availability of funds shall not constitute a Force Majeure Event;

1.1.13. “Insolvency/Dissolution Event” in respect of a Party, means any of the following:

- (a) in the case of a voluntary insolvency/dissolution, if the Party shall (i) apply for or consent to the appointment of a receiver, receiver/manager, interim receiver, trustee, administrator, or liquidator (or person having a similar or analogous function under the laws of any jurisdiction) of itself or of all or a substantial part of its assets; (ii) be unable, or state or admit in writing its inability or failure, to pay its debts generally as they become due; (iii) make a general assignment for the benefit of its creditors, or make or threaten to make a sale in bulk of all or a substantial part of its assets; (iv) commit an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or under any existing or future law relating to bankruptcy and insolvency; (v) commence any proceeding or other action under any existing or future law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, moratorium, winding up, liquidation, dissolution, composition, compromise or other relief with respect to it or its debts or an arrangement with creditors, or file an answer admitting the material allegations filed against it in any bankruptcy, insolvency, or reorganization proceeding; or (vi) take any corporate action for the purpose of effecting any of (i) to (v);
- (b) in the case of an involuntary insolvency/dissolution, if any proceeding or other action shall be instituted in any court of competent jurisdiction seeking in respect of the Party or of all or a substantial part of its assets (i) an adjudication in bankruptcy or for reorganization, dissolution, winding up or liquidation; (ii) a composition, compromise, arrangement or moratorium with its creditors, or other relief with respect to it or its debts; (iii) the appointment of a trustee, receiver, receiver/manager, interim receiver, administrator or liquidator (or person having a similar or analogous function under the laws of any jurisdiction); or (iv) any other similar relief under any existing or future law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (c) an application is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Party, except as part of a bona fide corporate reorganization; or
- (d) the Party is wound up or dissolved, except as part of a bona fide corporate reorganization, unless the notice of winding up or dissolution is discharged;

1.1.14. “Lender” in respect of a Customer means a bank or other entity whose principal business is that of a financial institution and that is financing or refinancing the Customer’s facilities;

1.1.15. “Non-defaulting Party” means a Party that is not experiencing an Event of Default;

1.1.16. “Non-financial Default” in respect of a Party means any of the following:

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- (a) any breach of this Agreement by that Party, other than a breach that constitutes a Financial Default;
 - (b) the licence (if any) of the Party is suspended, withdrawn or revoked or expires without being replaced; or
 - (c) an Insolvency/Dissolution Event occurs in relation to the Party;
- 1.1.17. “Party Losses” means any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of a Party, including where occasioned by a judgment resulting from an action instituted by a third party;
- 1.1.18. “Rate Schedule” means the rates in effect from time to time and the terms and conditions relating to those rates that are approved by the Board in the Transmitter’s Rate Order, including rates for connection service;
- 1.1.19. “Schedule” means a schedule listed in section 4.2.1 and any additional schedules created by the Parties under section 4.3.1;
- 1.1.20. “Supporting Guarantee” has the meaning given to it in the “Glossary of Terms” of the “utility work protection code” referred to in the document entitled “Electrical Utility Safety Rules”, published by the Electrical and Utilities Safety Association of Ontario Incorporated (now the Infrastructure Health and Safety Association) and revised January, 2009, as may be amended from time to time;
- 1.1.21. “Work Protection” means a state or condition whereby an isolated or isolated and de-energized condition has been established for work on facilities and will continue to exist, except for authorized tests, until the work relating thereto has been completed.
- 1.2. In this Agreement, unless the context otherwise requires, each of the following words and phrases shall have the meaning given to it in the Code (whether or not capitalized in the Code or in this Agreement): “assigned capacity”; “available capacity”; “Board”; “business day”; “Code revision date”; “connect”; “connection facilities”; “connection point”; “connection service”; “contracted capacity”; “circuit breaker”; “emergency”; “facilities”; “fault”; “forced outage”; “good utility practice”; “isolate”; “isolating device”; “licence”; “load shedding”; “maintenance”; “outage”; “planned outage”; “promptly”; “protection system”; “protective relay”; “Rate Order”; “reliability”; “reliability organization”; “reliability standards”; “renewable generation”; “single contingency”; “site”; “transmission facilities”; “transmission service”; “transmission system” and “work”.

2. INTERPRETATION

- 2.1. Words and phrases contained in this Agreement (whether or not capitalized) that are not defined herein shall have the meanings given to them in the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A, the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, or in any regulations made under either of those Acts, as the case may be.

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2.2. Headings are for convenience only and shall not affect the interpretation of this Agreement.

2.3. In this Agreement, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) words importing a person include: (a) an individual, (b) a company, sole proprietorship, partnership, trust, joint venture, association, corporation or other private or public body corporate; and (c) any government, government agency or body, regulatory agency or body or other body politic or collegiate;
- (d) a reference to a person includes that person's successors and permitted assigns;
- (e) a reference to a Party includes any person acting on behalf of that Party;
- (f) a reference to the Customer's facilities is limited to such facilities as are relevant to the Customer's connection to the Transmitter's transmission system under this Agreement;
- (g) a reference to a body, whether statutory or not, that ceases to exist or whose functions are transferred to another body is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (h) a reference to a document (including a statutory instrument) or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision;
- (i) the expression “including” means including without limitation, and the expressions “include”, “includes” and “included” shall be interpreted accordingly; and
- (j) where a word or phrase is defined in this Agreement, including by virtue of the application of section 1.2, or in any document referred to in section 2.1, other parts of speech and grammatical forms of the word or phrase have a corresponding meaning.

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- 2.4. Except when an emergency is anticipated or is occurring, if the time for doing any act or omitting to do any act under this Agreement expires on a day that is not a business day, the act may be done or may be omitted to be done on the next day that is a business day.

3. INCORPORATION OF TRANSMISSION SYSTEM CODE

- 3.1 The Code is hereby incorporated in its entirety by reference into, and forms an integral part of, this Agreement. Unless the context otherwise requires, all references in this Agreement to “this Agreement” shall be deemed to include a reference to the Code.

- 3.2. Without limiting the generality of section 3.1:

- (a) the Transmitter hereby agrees to be bound by, and at all times to comply with, the Code; and
- (b) the Customer acknowledges and agrees that the Transmitter is bound at all times to comply with the Code in addition to complying with the provisions of this Agreement.

4. SCHEDULES

4.1. Incorporation of Schedules

- 4.1.1. The Schedules form a part of, and are hereby incorporated by reference into, this Agreement.

4.2. Schedules

- 4.2.1 The following are the Schedules to this Agreement:

- Schedule A - Single Line Diagram, Description of the Customer’s Connection Point(s) and Details of Specific Operations
- Schedule B - Transmission Services and Associated Charges
 - Attachment B1
- Schedule C - Cure Periods for Defaults
- Schedule D - Fault Levels and Modifications Requiring Transmitter Approval
 - Attachment D1
- Schedule E - General Technical Requirements
- Schedule F - [Additional Technical Requirements](#)
 - [Schedule F.1 - Additional Technical Requirements for Tapped Transformer Stations Supplying Load](#)
- Schedule G - Protection System Requirements
- Schedule H - Facilities Deemed Compliant and Obligation to Comply
- Schedule I - Exchange of Information
 - Attachment E - Facility Registration ~~Data~~ and Load Data
- Schedule J - [Contacts for Purposes of Notice](#)ⁱⁱ
- Schedule K - [Special Provisions](#)
- [Schedule L](#) - [Application of Transmission Rate Schedule](#)

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Schedule M - Embedded Generation, Bypass, Assigned Capacity and True-Ups
- Attachment ~~J~~M1
- Attachment ~~J~~M2²
Schedule N ——— - Miscellaneous

4.3. Additional Schedules

- 4.3.1. The Parties may by mutual agreement append such additional Schedules to this Agreement as may from time to time be required. Where additional Schedules are required by virtue of the fact that technical requirements for generation load facilities owned by the Customer are relevant to the Customer’s connection to the Transmitter’s transmission system under this Agreement, the Parties shall use schedules in the form set out in schedules E and F of version ~~B~~A of the connection agreement set out in Appendix 1 of the Code.
- 4.3.2. In the event of an inconsistency or conflict between a provision of an additional Schedule referred to in section 4.3.1 and a provision of this Agreement or of a Schedule referred to in section 4.2.1, the provision of this Agreement or of the Schedule referred to in section 4.2.1 shall prevail to the extent of the inconsistency or conflict.

5. NOTICE

5.1. Method of Giving Notice and Effective Date

- 5.1.1. Subject to section 5.1.3, any notice, demand, consent, request or other communication required or permitted to be given or made under or in relation to this Agreement shall be given or made by courier or other personal form of delivery; by registered mail; by facsimile; or by electronic mail.
- 5.1.2. A notice, demand, consent, request or other communication referred to in section 5.1.1 shall be deemed to have been duly given or made as follows:
- (a) where given or made by courier or other form of personal delivery, on the date of receipt;
 - (b) where given or made by registered mail, on the sixth day following the date of mailing;
 - (c) where given or made by facsimile and a complete transmission report is issued from the sender’s facsimile transmission equipment, on the day and at the time of transmission as indicated on the sender’s facsimile transmission report, if a business day or, if the transmission is on a day which is not a business day or is after 5:00 pm (addressee’s time), at 9:00 am on the following business day; and
 - (d) where given or made by electronic mail, on the day and at the time when the notice, demand, consent, request or other communication is recorded by the sender’s electronic communications system as having been received at the electronic mail

² This is a new name for the Schedule J that exists in the form of Connection Agreement for Load Customers.

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destination, if a business day, or if that time is after 5:00 pm (addressee’s time) or that day is not a business day, at 9:00 am on the following business day.

- 5.1.3. Any notice, demand, consent, request or other communication required or permitted to be given or made under Schedule A shall be given or made in accordance with the notice provisions contained in that Schedule.

5.2. Address for Notice

- 5.2.1. Any notice, demand, consent, request or other communication given or made under section 5.1.1 shall be addressed to the applicable representative of the Party identified in Schedule ~~KJ~~. A Party may, upon written notice given to the other Party in accordance with section 5.1.1, from time to time change its address or representative for notice, and Schedule ~~KJ~~ shall be deemed to have been amended accordingly.

- 5.2.2. Any notice, demand, consent, request or other communication given or made under section 5.1.3 shall be addressed in accordance with Schedule A.

5.3. Exception

- 5.3.1. Sections 5.1 and 5.2 are subject to such other provisions of this Agreement that expressly require or permit notices, demands, consents, requests or other communications to be given or made by alternative means or to be addressed to other specified representatives of the Parties.

6. ASSIGNMENT

- 6.1. Subject to section 6.2, no Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed.
- 6.2. The Customer may, without the prior written consent of the Transmitter, assign by way of security only all or any part of its rights or obligations under this Agreement to a Lender. The Customer shall promptly notify the Transmitter upon making any such assignment.

7. FURTHER ASSURANCES

- 7.1. Each Party shall promptly execute and deliver or cause to be executed and delivered all further documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.

8. WAIVER

- 8.1. A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred or implied by any failure to act or by the delay in acting by a Party in respect of any default, breach or non-compliance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party’s rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance, whether of the same or any other nature.

9. AMENDMENTS

- 9.1. The Parties may not amend this Agreement without leave of the Board, except where and to the extent expressly permitted by this Agreement.
- 9.2. The Parties may by mutual agreement amend this Agreement to reflect changes that may from time to time be made to the Code during the term of this Agreement.
- 9.3. The Parties may, by mutual agreement unless this Agreement otherwise provides, amend the following Schedules:
- (a) Schedule A, ~~other than in relation to section A.8;~~
 - (b) Schedule B, to reflect any changes to the Transmitter’s Rate Order that may from time to time come into effect and in relation to Attachment B1;
 - (c) Schedule D, including Attachment D1;
 - (d) Schedule H, in relation to section H.1;
 - (e) Schedule I;
 - (f) Schedule J;
 - (g) Schedule M, in relation to Attachment ~~J~~M1 and Attachment ~~J~~M2 ~~Schedule K~~; and
 - (h) any Schedule added by the Parties under section 4.3.1.
- 9.4. The Parties shall amend this Agreement in such manner as may be required by the Board.
- 9.5. Any amendment to this Agreement shall be made in writing and duly executed by the Parties.
- 9.6. In the event of an inconsistency or conflict between a provision of an amendment to a Schedule made under section 9.3, other than an amendment made under section 9.4,

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and a provision of this Agreement, the provision of this Agreement shall prevail to the extent of the inconsistency or conflict.

- 9.7. In the event of an inconsistency or conflict between a provision of an amendment to this Agreement, other than an amendment made under section 9.4, and a provision of the Code, the provision of the Code shall prevail to the extent of the inconsistency or conflict.

10. SUCCESSORS AND ASSIGNS

- 10.1. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

11. ENTIRE AGREEMENT

- 11.1. Except as expressly provided herein, this Agreement, together with the Schedules, constitutes the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the subject-matter hereof.

12. GOVERNING LAW

- 12.1. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

13. COUNTERPARTS AND ELECTRONIC SIGNATURES

- 13.1. This Agreement may be executed ~~in any number of~~ by the Parties in writing or via electronic signatures and in one or more in counterparts, each of which shall be deemed ~~to be~~ an original and ~~all of which taken~~ together shall ~~be deemed to~~ constitute one and the same ~~instrument agreement~~. Counterparts may be ~~executed either in original or faxed form and the Parties shall adopt any signatures received by a receiving facsimile machine as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall promptly forward to the other Party an original signed copy of this Agreement which was so faxed~~ delivered via fax, electronic mail (in portable document format) or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and be valid and effective for all purposes.

PART TWO
REPRESENTATIONS AND WARRANTIES

14. REPRESENTATIONS AND WARRANTIES

14.1. Customer’s Representations and Warranties

14.1.1. Subject to section 14.3.1, the Customer represents and warrants to the Transmitter as follows, and acknowledges and confirms that the Transmitter is relying on such representations and warranties without independent inquiry in entering into this Agreement:

- (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 this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this 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 or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Customer; (ii) any contracts or instruments to which the Customer is bound; or (iii) any laws applicable to it;
- (d) any individual executing this Agreement, and any document in connection herewith, on behalf of the Customer has been duly authorized to execute this Agreement and has the full power and authority to bind the Customer;
- (e) this Agreement constitutes a legal and binding obligation on the Customer, enforceable against the Customer in accordance with its terms;
- (f) other than the facilities listed in Schedule H, its facilities meet the technical requirements of this Agreement; and
- (g) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on its business.

14.1.2. The Customer shall promptly notify the Transmitter of any circumstance that does or may result in any of the representations and warranties set forth in section 14.1.1 becoming untrue or inaccurate during the term of this Agreement.

14.2. Transmitters’ Representations and Warranties

14.2.1. Subject to section 14.3.1, the Transmitter represents and warrants to the Customer as follows, and acknowledges and confirms that the Customer is relying on such

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representations and warranties without independent inquiry in entering into this Agreement:

- (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 this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this 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 or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Transmitter; (ii) any contracts or instruments to which the Transmitter is bound; or (iii) any laws applicable to it;
- (d) any individual executing this Agreement, and any document in connection herewith, on behalf of the Transmitter has been duly authorized to execute this Agreement and has the full power and authority to bind the Transmitter;
- (e) this Agreement constitutes a legal and binding obligation on the Transmitter, enforceable against the Transmitter in accordance with its terms;
- (f) other than the facilities listed in Schedule H, those of its facilities that are relevant to, or may have an impact on, the Customer’s facilities meet the technical requirements of this Agreement; and
- (g) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on its business as a Transmitter.

14.2.2. The Transmitter shall promptly notify the Customer of any circumstance that does or may result in any of the representations and warranties set forth in section 14.2.1 becoming untrue or inaccurate during the term of this Agreement.

14.3. Transition

14.3.1. Where the provisions of this Agreement apply by virtue of the application of section 3.0.7 of the Code, the representations and warranties referred to in sections 14.1.1(f) and 14.2.1(f) shall be deemed to be given only once the parties have completed sections H.1.1 and H.1.2 of Schedule H.

PART THREE
LIABILITY AND FORCE MAJEURE

15. LIABILITY

- 15.1. Except as otherwise expressly provided in this Agreement, the Transmitter shall not be liable for any Party Losses of the Customer whatsoever arising out of any act or omission of the Transmitter under this Agreement unless such Party Losses result from the willful misconduct or negligence of the Transmitter.
- 15.2. [Subject to section K.1 of Schedule K and e](#)xcept as otherwise expressly provided in this Agreement, the Customer shall not be liable for any Party Losses of the Transmitter whatsoever arising out of any act or omission of the Customer under this Agreement unless such Party Losses result from the willful misconduct or negligence of the Customer.
- 15.3. Despite sections 15.1 and 15.2 but except as otherwise expressly provided in sections 21.4, 27.13.6, 27.13.7 and 27.13.9, neither Party shall be liable to the other, whether as claims in contract or in tort or otherwise, for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential, incidental or special damages, including punitive or exemplary damages.
- 15.4. A Party shall have a duty to mitigate any Party Losses relating to any claim for indemnification from the other Party that may be made in relation to that other Party. Nothing in this section 15.4 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.
- 15.5. A Party shall give prompt notice to the other Party of any claim with respect to which indemnification is being or may be sought under this Agreement.

16. FORCE MAJEURE

16.1. No Liability Where Force Majeure Event Occurs

- 16.1.1. Subject to sections 16.1.2 to 16.1.4, a Party shall not be liable to the other Party for any failure or delay in the performance of any of its obligations under this Agreement in whole or in part to the extent that such failure or delay is due to a Force Majeure Event.
- 16.1.2. The Party invoking a Force Majeure Event shall only be excused from performance under section 16.1.1:
- (a) for so long as the Force Majeure Event continues and for such reasonable period of time thereafter as may be necessary for the Party to resume performance of the obligation; and
 - (b) where and to the extent that the failure or delay in performance would not have been experienced but for such Force Majeure Event.

16.1.3. Nothing in this section 16 shall excuse a Party from performing any of their respective emergency-related obligations in the event of an emergency.

16.1.4. A Party may not invoke a Force Majeure Event unless it has given notice in accordance with section 16.2.

16.2. Obligations Where Force Majeure Event Occurs

16.2.1. Where a Party invokes a Force Majeure Event, it shall promptly give notice to the other Party, which notice shall include particulars of:

- (a) the nature of the Force Majeure Event and, if known, of its duration;
- (b) the effect that the Force Majeure Event is having on the Party’s performance of its obligations under this Agreement; and
- (c) the measures that the Party is taking, or proposes to take, to alleviate the impact of the Force Majeure Event.

Such notice may be given verbally, in which case the notifying Party shall as soon as practicable thereafter confirm the notice in writing.

16.2.2. Where a Party invokes a Force Majeure Event, it shall use all reasonable endeavours to mitigate or alleviate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. Nothing in this section 16.2.2 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

16.2.3. Where a Party invokes a Force Majeure Event, it shall notify the other Party in writing as soon as practicable of the cessation of the Force Majeure Event and of the cessation of the effects of the Force Majeure Event on the Party’s performance of its obligations under this Agreement.

PART FOUR
DISPUTE RESOLUTION

17. DISPUTE RESOLUTION

17.1. Exclusivity

17.1.1. Subject to sections 17.1.2 and 17.1.3:

- (a) the dispute resolution procedure set forth in this section 17 shall apply to all disputes between the Customer and the Transmitter arising under or in relation to this Agreement; and
- (b) the Parties shall comply with the procedure set out in this section 17 before taking any other civil or other proceeding in relation to the dispute.

17.1.2. Nothing in section 17.1.1 shall prevent a Party from seeking urgent or interlocutory relief from a court of competent jurisdiction in the Province of Ontario in relation to any dispute between them arising under or in relation to this Agreement.

17.1.3. The dispute resolution procedure set forth in this section 17 shall not apply:

- (a) in relation to any matter that must or may be submitted to the Board for resolution under section s 4.7.1, 6.1.8, 6.2.2, ~~6.2.20~~, 6.2.27, 6.3.5 or 6.3.11(c) or Appendix 4 of the Code or section ~~JK.4.6~~2.2 of Schedule ~~JK~~; or
- (b) in relation to any dispute to be resolved under the Market Rules as described in section B6 and B.7 of Schedule B.

17.2. Duty to Negotiate

17.2.1. Any dispute between the Customer and the Transmitter referred to in section 17.1.1 shall be referred to a designated senior representative of each of the Parties for resolution on an informal basis as quickly as possible.

17.2.2. The designated senior representatives of the Parties shall attempt in good faith to resolve the dispute within thirty days of the date on which the dispute was referred to them. The Parties may by mutual agreement extend such period.

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- 17.2.3. If a dispute is settled by the designated senior representatives of the Parties, the Parties shall prepare and execute minutes setting forth the terms of the settlement. Such terms shall bind the Parties. The subject-matter of the dispute shall not thereafter be the subject of any civil or other proceeding, other than in relation to the enforcement of the terms of the settlement.
- 17.2.4. If a Party fails to comply with the terms of settlement referred to in section 17.2.3, the other Party may submit the matter to arbitration under section 17.3.1.
- 17.2.5. A copy of the minutes referred to in section 17.2.3 from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.
- 17.2.6. The Parties may not, by means of the settlement of a dispute under section 17.2.3 or section 17.5.10, agree to terms or conditions that would, if they had been the subject of an amendment to this Agreement, violate section 9.1.

17.3. Submission of Unresolved Disputes to Arbitration

- 17.3.1. If the designated senior representatives of the Parties cannot resolve the dispute within the time period set out in section 17.2.2 or where section 17.2.4 or 17.5.11 applies, either Party may submit the dispute to binding arbitration under sections 17.4 and 17.5 by notice to the other Party.

17.4. Selection of Arbitrator(s)

- 17.4.1. The Parties shall use good faith efforts to appoint a single arbitrator for purposes of the arbitration of the dispute. If the Parties fail to agree upon a single arbitrator within ten business days of the date of the notice referred to in section 17.3.1, each Party shall within five business days thereafter choose one arbitrator. The two arbitrators so chosen shall within twenty days select a third arbitrator.
- 17.4.2. Where a Party has failed to choose an arbitrator under section 17.4.1 within the time allowed, the other Party may apply to a court to appoint a single arbitrator to resolve the dispute.
- 17.4.3. No person shall be appointed as an arbitrator unless that person:
- (a) is independent of the Parties;
 - (b) has no current or past substantial business or financial relationship with either Party, except for prior arbitration; and
 - (c) is qualified by education or experience to resolve the dispute.

17.5. Arbitration Procedure

- 17.5.1 The arbitrator(s) shall provide each of the Parties with an opportunity to be heard orally and/or in writing, as may be appropriate to the nature of the dispute.
- 17.5.2. The *Arbitration Act, 1991* (Ontario) shall apply to an arbitration conducted under this section 17.
- 17.5.3. The arbitrator(s) shall make due provision for the adequate protection of Confidential Information that may be disclosed or may be required to be produced during the course of an arbitration in a manner consistent with the confidentiality obligations of section 21.
- 17.5.4. All proceedings relating to the arbitration of a dispute shall be conducted in private unless the Parties agree otherwise.
- 17.5.5. Unless the Parties otherwise agree, the arbitrator(s) shall render a decision within ninety days of the date of appointment of the last to be appointed arbitrator, and shall notify the Parties of the decision and of the reasons therefore.
- 17.5.6. The decision of the arbitrator(s) shall be final and binding on the Parties and may be enforced in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The Party against which the decision is enforced shall bear all costs and expenses reasonably incurred by the other Party in enforcing the decision.
- 17.5.7. A copy of the decision of the arbitrator(s) from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.
- 17.5.8. Subject to section 17.5.9, each Party shall be responsible for its own costs and expenses incurred in the arbitration of a dispute and for the costs and expenses of the arbitrator(s) if appointed to resolve the dispute.
- 17.5.9. The arbitrator(s) may, if the arbitrator(s) consider it just and reasonable to do so, make an award of costs against or in favour of a Party to the dispute. Such an award of costs may relate to either or both the costs and expenses of the arbitrator(s) and the costs and expenses of the Parties to the dispute.
- 17.5.10 If a dispute is settled by the Parties during the course of an arbitration, the Parties shall prepare and execute minutes setting forth the terms of the settlement. Such terms shall bind the Parties, and either Party may request that the arbitrator(s) record the settlement in the form of an award under section 36 of the *Arbitration Act, 1991* (Ontario). The subject-matter of the dispute shall not thereafter be the subject of any civil or other proceeding, other than in relation to the enforcement of the terms of the settlement.
- 17.5.11 If a Party fails to comply with the terms of settlement referred to in section 17.5.10, the other Party may submit the matter to arbitration under section 17.3.1 if the

settlement has not been recorded in the form of an award under section 36 of the *Arbitration Act, 1991* (Ontario).

- 17.5.12 A copy of the minutes referred to in section 17.5.10 from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.

PART FIVE

TERM, TERMINATION AND EVENTS OF DEFAULT

18. TERM AND TERMINATION

18.1. Coming into Force

- 18.1.1. Subject to section 18.1.2, this Agreement shall come into force on the date first mentioned above and shall remain in full force and effect until terminated in accordance with this Agreement.
- 18.1.2. Where the provisions of this Agreement apply by virtue of the application of section 3.0.7 of the Code, those provisions shall come into force on the Code revision date and shall remain in full force and effect until terminated in accordance with this Agreement.

18.2. Termination Without Cause by Customer

- 18.2.1. The Customer may, if it is not then a Defaulting Party to whom a Default Notice has been delivered, terminate this Agreement at any time during the term of this Agreement by giving the Transmitter six months’ prior written notice setting out the termination date.
- 18.2.2. Where the Customer gives notice to terminate under section 18.2.1, the Transmitter shall disconnect all of the Customer’s facilities at all connection points on the termination date specified in that notice or on such other date as the Parties may agree in writing.
- 18.2.3. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 18.2.2.

18.3. Termination for Cause by Either Party

- 18.3.1. Termination of this Agreement by a Party by reason of an Event of Default occurring in relation to the other Party shall be effected in accordance with section 19.

18.4. Provisions Relating to Termination Generally

- 18.4.1. Termination of this Agreement for any reason shall not affect:
- (a) the liabilities of either Party that were incurred or arose under this Agreement prior to the time of termination; or
 - (b) that expressly apply in relation to disconnection of the Customer’s facilities following termination of this Agreement.

18.4.2. Without limiting the generality of section 18.4.1(a), the liabilities of the Parties referred to in that section shall include any obligations to make payments in relation to bypass compensation or true-ups provided for in Schedule ~~F~~M.

18.4.3. Termination of this Agreement for any reason shall be without prejudice to the right of the terminating Party to pursue all legal and equitable remedies that may be available to it, including injunctive relief.

18.5. Rights and Remedies not Exclusive

18.5.1. The rights and remedies set out in this Agreement are not intended to be exclusive but rather are cumulative and are in addition to any other right or remedy otherwise available to a Party at law or in equity.

18.5.2. Nothing in this section 18.5 shall be interpreted as affecting the limitations of liability set forth in section 15 or the obligation of a Party to comply with section 17 while this Agreement is in force.

18.6. Survival

18.6.1. Sections 18.4 and 18.5 shall survive termination of this Agreement.

19. EVENTS OF DEFAULT AND TERMINATION FOR CAUSE

19.1. Occurrence of an Event of Default

19.1.1. If an Event of Default occurs in relation to a Party, the Non-defaulting Party may, without prejudice to its other rights and remedies as provided for in this Agreement or at law or in equity, serve the Defaulting Party with a notice specifying the Event of Default that has occurred and the applicable Cure Period (“Default Notice”).

19.2. Curing Events of Default

19.2.1. Upon receipt of a Default Notice, the Defaulting Party shall be entitled to remedy the Event of Default specified in the Default Notice:

- (a) for a Financial Default, within the applicable Cure Period specified in Schedule C, calculated from the date of receipt of the Default Notice;
- (b) for a Non-financial Default that has an impact that is referred to in Schedule C, within the applicable Cure Period specified for that impact in Schedule C, calculated from the date of the receipt of the Default Notice; or
- (c) for a Non-financial Default that does not have an impact that is referred to in Schedule C, within a period of twenty business days from the date of receipt of the Default Notice.

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The Parties may agree to a Cure Period that is longer than the Cure Period that would otherwise apply under section 19.2.1(a), 19.2.1(b) or 19.2.1(c).

19.2.2. During the Cure Period, the Defaulting Party shall diligently seek to remedy the Event of Default specified in the Default Notice.

19.2.3. If the Non-defaulting Party considers that the Defaulting Party is not, during the Cure Period, diligently seeking to remedy a Non-financial Default, the Non-defaulting Party may serve the Defaulting Party with a notice (“End of Cure Period Notice”) to that effect. If, within ten business days of receiving the End of Cure Period Notice, the Defaulting Party has not commenced to diligently seek to remedy the Non-financial Default, the Cure Period shall end on the fifth business day following the date of receipt of the End of Cure Period Notice, and section 19.3.1 shall apply.

19.2.4. A Financial Default shall be considered remedied when:

- (a) the Defaulting Party has paid to the Non-defaulting Party all amounts specified in the Default Notice, together with interest calculated in accordance with section 19.2.5; and
- (b) the Defaulting Party has reimbursed the Non-defaulting Party for all costs of enforcement, recovery, or attempted enforcement or recovery, including reasonable legal costs and expenses, reasonably incurred by the Non-defaulting Party in relation to the Financial Default.

19.2.5. Amounts specified in a Default Notice given in relation to a Financial Default shall bear interest at the prime lending rate set by the Bank of Canada plus two percent from the date on which the Event of Default occurred until the date on which payment is sent to the Non-defaulting Party.

19.2.6. A Non-financial Default shall be considered remedied when:

- (a) the Event of Default has been remedied to the reasonable satisfaction of the Non-defaulting Party; and
- (b) the Defaulting Party has reimbursed the Non-defaulting Party for all costs of enforcement or recovery or attempted enforcement or recovery, including reasonable legal costs and expenses, reasonably incurred by the Non-defaulting Party in relation to the Non-financial Default.

19.3. Right to Terminate and Disconnect

19.3.1. Subject to section 19.3.2, where an Event of Default has not been remedied prior to the expiry of the applicable Cure Period, including in accordance with section 19.2.3, the Non-defaulting Party may, without prejudice to its other rights and remedies as provided for in this Agreement or at law or in equity, terminate this Agreement by written notice to the Defaulting Party. Such termination shall take effect:

- (a) in the case of a Non-financial Default, on the date on which the termination notice is delivered to the Defaulting Party; or
- (b) in the case of a Financial Default, on the date that is seven business days from the date on which the termination notice is delivered to the Defaulting Party.

19.3.2. The Transmitter may not terminate this Agreement under section 19.3.1 or, subject to section 19.3.5, disconnect the Customer’s facilities under section 19.3.3 in relation to an Event of Default by the Customer where the issue of the Customer’s default has been referred to the dispute resolution process referred to in section 17 and the dispute has not been finally resolved.

19.3.3. The Transmitter may disconnect all of the Customer’s facilities at all applicable connection points on or after the date on which this Agreement terminates under section 19.3.1.

19.3.4. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 19.3.3.

19.3.5. Nothing in this section 19 shall prevent the Transmitter from:

- (a) disconnecting the Customer’s facilities where permitted by section 20.3.1, even if the Customer is a Defaulting Party at the relevant time; or
- (b) immediately disconnecting the Customer’s facilities where the Transmitter reasonably believes that a Non-financial Default by the Customer is having or will have a material adverse effect on the Transmitter’s transmission system or on a third party.

19.4. Lender’s Right of Substitution

19.4.1. Where a Default Notice has been served on the Customer, an agent or trustee for and on behalf of a Lender (“Security Trustee”) or a receiver appointed by the Security Trustee (“Receiver”) shall upon notice to the Transmitter be entitled (but not obligated) to exercise all of the rights and obligations of the Customer under this Agreement and shall be entitled to remedy the Event of Default specified in the Default Notice within the applicable Cure Period. The Transmitter shall accept performance of the Customer’s obligations under this Agreement by the Security Trustee or Receiver in lieu of the Customer’s performance of such obligations, and will not exercise any right to terminate this Agreement under section 19.3.1 due to an Event of Default if the Security Trustee, its nominee or transferee, or the Receiver acknowledges its intention to be bound by the terms of this Agreement and such acknowledgment is received within 30 days of the date of receipt by the Customer of the Default Notice.

PART SIX **DISCONNECTION AND RECONNECTION**

20. DISCONNECTION

20.1. Voluntary Permanent Disconnection by Customer

- 20.1.1. The Customer may at any time voluntarily and permanently disconnect some but not all of its facilities from the Transmitter’s transmission facilities provided that the Customer is not then a Defaulting Party to whom a Default Notice has been delivered.
- 20.1.2. The Customer shall give the Transmitter notice in writing of its intention to voluntarily disconnect some of its facilities under section 20.1.1 no less than ten days before the date on which the Customer wishes to disconnect.
- 20.1.3. Where the Customer voluntarily and permanently disconnects facilities under section 20.1.1, the Customer shall be liable to make any payments in relation to bypass or true-ups provided for in Schedule JM that may be triggered by such disconnection.
- 20.1.4. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 20.1.1.

20.2. Voluntary Temporary Disconnection by Customer and Reconnection

- 20.2.1. Where practical, the Customer shall notify the Transmitter prior to temporarily disconnecting its facilities from the Transmitter’s transmission system.
- 20.2.2. The Transmitter shall, at the Customer’s request, reconnect the Customer’s facilities to its transmission system following a voluntary temporary disconnection under section 20.2.1 once the Transmitter is reasonably satisfied that all requirements of this Agreement are met, that all payments due to be paid by the Customer under this Agreement have been made and that the Customer agrees to pay all reasonable reconnection costs charged by the Transmitter. Reconnection shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with the procedures agreed between the Parties.

20.3. Disconnection by Transmitter

- 20.3.1. The Transmitter may disconnect the Customer’s facilities at any connection point and at any time throughout the term of this Agreement in any of the following circumstances:
- (a) in accordance with subsection 40 (5) of the *Electricity Act, 1998*, other applicable law, the Transmitter’s licence or the Market Rules;

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- (b) where required to comply with a decision or order of an arbitrator or court made or given under section 17;
- (c) during an emergency or where necessary to prevent or minimize the effects of an emergency; or
- (d) where required by an order or direction from the IESO given in accordance with the Market Rules.

20.3.2. Section 20.5 shall, to the extent applicable, apply in relation to the disconnection of the Customer’s facilities under section 20.3.1.

20.4. Reconnection after Disconnection by Transmitter

20.4.1. Where a Customer’s facilities have been disconnected under section 20.3 during an emergency, the Transmitter shall reconnect the Customer’s facilities to its transmission facilities when it is reasonably satisfied that the emergency has ceased and that all other requirements of this Agreement are met.

20.4.2. Where a Customer’s facilities have been disconnected under section 20.3 other than during an emergency, the Transmitter shall reconnect the Customer’s facilities to its transmission system when it is reasonably satisfied that the reason for the disconnection no longer exists, the Customer agrees to pay all reasonable reconnection costs charged by the Transmitter, and the Transmitter is reasonably satisfied of the following, where applicable:

- (a) the Customer has taken all necessary steps to prevent the circumstances that caused the disconnection from recurring and has delivered binding undertakings to the Transmitter that such circumstances shall not recur; and
- (b) any decision or order of a court or arbitrator made or given under section 17 that requires a Party to take action to ensure that such circumstances shall not recur has been implemented and/or assurances have been given to the satisfaction of the affected Party that such decision or order will be implemented.

20.4.3. Reconnection under this section 20.4 shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with the procedures agreed between the Parties.

20.5. Provisions Applicable to Disconnection Generally

20.5.1. Within 20 business days of the coming into force of this Agreement, the Parties shall develop appropriate operating and decommissioning procedures for the Customer’s facilities. The Parties shall comply with those operating and decommissioning procedures in relation to any disconnection of the Customer’s facilities.

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- 20.5.2. Where the Customer’s facilities are disconnected, each Party shall be entitled to decommission and remove its assets associated with the connection and the applicable connection points. Each Party shall, for that purpose, provide the other Party with all necessary access to its site at all reasonable times.
- 20.5.3. The Customer shall continue to pay for transmission services provided up to the time of disconnection of its facilities.
- 20.5.4. The Customer shall pay all reasonable costs, including the costs of removing any of the Transmitter’s equipment from the Customer’s facilities, that are directly attributable to the disconnection and, where applicable, the subsequent decommissioning of the Customer’s facilities. The Transmitter shall not require the removal of the protection and control wiring within the Customer’s facilities.
- 20.5.5. While the Customer’s facilities are disconnected, the Transmitter shall not be required to convey electricity to or from the Customer’s facilities.

PART SEVEN
EXCHANGE AND CONFIDENTIALITY OF INFORMATION

21. EXCHANGE AND CONFIDENTIALITY OF INFORMATION

21.1. For purposes of this Agreement, “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; or
- (b) information that is, at the time of the disclosure, in the possession of the receiving Party, provided that it was lawfully obtained from a person under no obligation of confidence in relation to the information.

21.2 Subject to section 21.3, each Party shall treat all Confidential Information disclosed to it by the other Party as confidential and shall not, without the written consent of that other Party:

- (a) disclose that Confidential Information to any other person; or
- (b) use that Confidential Information for any purpose other than the purpose for which it was disclosed or another applicable purpose contemplated in this Agreement.

Where a Party, with the written consent of the other Party, discloses Confidential Information of that other Party to another person, the Party shall take such steps as may be required to ensure that the other person complies with the confidentiality provisions of this Agreement.

21.3. Nothing in section 21.2 shall prevent the disclosure of Confidential Information:

- (a) where required under this Agreement, the Market Rules or a licence;
- (b) where required by law or regulatory requirements;
- (c) where required by order of a government, government agency, regulatory body or regulatory agency having jurisdiction;
- (d) if required in connection with legal proceedings, arbitration or any expert determination relating to the subject matter of this Agreement, or for the purpose of advising a Party in relation thereto;

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- (e) as may be required to enable the Transmitter to fulfill its obligations to any reliability organization;
 - (f) as may be required during an emergency or to prevent or minimize the effects of an emergency; or
 - (g) by the Customer to a Lender or prospective Lender.
- 21.4. Notwithstanding any provision of section 15, a Party that breaches section 21.2 shall be liable to the other Party for any and all Party Losses of that other Party arising out of such breach.
- 21.5. The Parties acknowledge and agree that the exchange of information, including Confidential Information, under this Agreement is necessary for maintaining the reliable operation of the Transmitter’s transmission system. The Parties further agree that all information, including Confidential Information, exchanged between them shall be prepared, given and used in good faith and shall be provided in a timely and cooperative manner.
- 21.6. Each Party shall comply with its information exchange obligations as set out in this Agreement, including in Schedule I. In addition, each Party shall provide the other with such information as the other may reasonably require to enable it to perform its obligations under this Agreement.
- 21.7. Each Party shall as soon as practicable notify the other Party upon becoming aware of a material change or error in any information previously disclosed to the other Party under this Agreement and, in the case of the Customer, in any information contained in its application for connection. The Party shall provide updated or corrected information as required to ensure that information provided to the other Party is up to date and correct.

PART EIGHT
TRANSMISSION SERVICE AND OTHER CHARGES

22. TRANSMISSION SERVICE AND TRANSMISSION SERVICE CHARGES

- 22.1. The Transmitter shall provide transmission services to the Customer in accordance with this Agreement and the Transmitter’s Rate Order.
- 22.2. The Parties shall comply with their respective obligations as set out in Schedule B in relation to transmission service.
- 22.3. The Transmitter shall not charge the Customer for transmission services except in accordance with the Transmitter’s Rate Order.
- 22.4. The Customer shall pay for charges for transmission services in accordance with Schedule B.

23. OTHER CHARGES AND PAYMENTS

- 23.1. In addition to charges for transmission service, the Transmitter may require that the Customer pay the following:
- (a) amounts required to give effect to the true-up provisions of Schedule ~~J~~M;
 - (b) bypass compensation, where permitted by and determined in accordance with this Agreement;
 - (c) a capital contribution in relation to the construction of new or modified transmission facilities, where permitted by and determined in accordance with the Code;
 - (d) fees or charges approved by the Board, including fees or charges approved as part of the transmitter’s Board-approved connection procedures referred to in section 6.1.4 of the Code; and
 - (e) any other fees, charges or costs expressly provided for in this Agreement.

PART NINE
TECHNICAL AND OPERATING REQUIREMENTS

24. FACILITY STANDARDS

- 24.1. The Transmitter shall comply with section 4.3.1 of the Code. The Customer shall ensure that its facilities:
- (a) meet all applicable requirements of the Ontario Electrical Safety Authority, subject to any exemption that may have been granted to or that may apply to the Customer;
 - (b) conform to all applicable industry standards, including those of the Canadian Standards Association, the Institute of Electrical and Electronic Engineers, the American National Standards Institute, and the International Electrotechnical Commission (IEC);
 - (c) are constructed, operated and maintained in accordance with this Agreement, the Customer’s licence, the Market Rules, all applicable reliability standards and good utility practice;
 - (d) where they are connection facilities, are made by it with due regard for the safety of the Customer’s employees and the public;
 - (e) where they are connection facilities, are made by it on a timely basis and are designed and constructed by it in accordance with the applicable provisions of the Transmitter’s Board-approved connection procedures or, in the absence of such Board-approved connection procedures, in accordance with section 6.1.8 of the Code; and
 - (f) where they are connection facilities, do not materially reduce the reliability or performance of the Transmitter’s transmission system and are constructed with such mitigation measures as may be required so that no new available fault current level exceeds the maximum allowable fault levels set out in Appendix 2 of the Code if this would have an adverse effect on the Transmitter. Where the new available fault current level would exceed the maximum allowable fault level set out in Appendix 2 of the Code and would have an adverse effect on the Transmitter the Customer may, as an alternative, make suitable ~~financial~~ arrangements with the Transmitter to mitigate the economic or financial impact of allowing the new available fault current level to exceed the maximum allowable fault level set out in Appendix 2 of the Code. Such arrangements shall be consistent with the cost responsibility principles set out in the Code.
- 24.2. The Customer shall ensure that those of its facilities that are connected to the Transmitter’s transmission system, other than the facilities identified in section H.1

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of Schedule H, comply with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2.

- 24.3. Where the Transmitter, after conducting a Customer Impact Assessment under section 6.4 of the Code, provides the Customer with a new available fault current level, the Customer shall, at its own expense, upgrade its facilities as may be required to accommodate the new available fault current level. This obligation shall not apply to the extent that the new available fault current level exceeds the maximum allowable fault levels set out in Appendix 2 of the Code except where suitable financial arrangements have been made with the Customer as contemplated in the last paragraph of section 6.1.2 of the Code.
- 24.4. The Transmitter and the Customer shall fully cooperate to ensure that ~~modeling~~modelling data required by this Agreement for the planning, design and operation of connections are complete and accurate. The Transmitter shall conduct, or may require that the Customer conduct, such tests as may be required where the Transmitter believes on reasonable grounds that the accuracy of such data is in question. The Party conducting such tests shall promptly report the results to the other Party. Where the tests are conducted by the Transmitter, the tests shall be conducted at a time that is mutually agreed by the Customer and the Transmitter, and the Customer shall reimburse the Transmitter for the costs and expenses reasonably incurred by the Transmitter in conducting the tests. If the testing is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, that Party shall, at the request of the other Party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the test.
- 24.5. The Customer shall, at the Transmitter’s request, permit the Transmitter to participate in the commissioning, inspection, and testing of the Customer’s facilities so as to enable the Transmitter to ensure that the Customer’s facilities will not adversely affect the reliability of the Transmitter’s transmission system.
- 24.6. Where section 24.5 applies, the commissioning, inspection or testing of the Customer’s facilities shall be conducted at a time that is mutually agreed by the Customer and the Transmitter. If the commissioning, inspection or testing is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, that Party shall, at the request of the other Party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the commissioning, inspection or testing activity.

25. ADDITIONAL TECHNICAL REQUIREMENTS

- 25.1. Each Party shall comply with their respective obligations as set out in Schedules E, F and G.
- 25.2. Each Party shall ensure that its facilities meet the technical requirements set out in Schedules E, F and G.

26. OPERATIONAL STANDARDS AND REPORTING

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- 26.1. As of the date of this Agreement, the fault levels at all connection points applicable to the Customer’s facilities and the assumptions underlying those fault levels, as specified by the Transmitter in accordance with the Market Rules, are set out in section D.1 of Schedule D. The Transmitter shall update such fault levels as may be required under this Agreement or in response to a request by the Customer under section 26.2, and the Parties shall amend Schedule D accordingly.
- 26.2. The Customer acknowledges that the fault levels at connection points applicable to the Customer’s facilities will change from time to time, and agrees that it may not rely upon the fault levels as specified section D.1 of Schedule D. Where the Customer reasonably requires confirmation of the fault levels at a connection point applicable to the Customer’s facilities, the Customer shall submit a request to that effect to the Transmitter. The Transmitter shall then provide the Customer with the current fault levels.
- 26.3. The Customer shall promptly report to the Transmitter any changes in its facilities that could materially affect the performance of the Transmitter’s transmission system.
- 26.4. The Customer shall, at the Transmitter’s request, promptly report to the Transmitter any and all incidents involving the automatic operation of the Customer’s facilities’ protective relays that affect the Transmitter’s transmission facilities.
- 26.5. The Transmitter shall promptly report to the Customer any changes in its facilities that could materially affect any transmission services provided to the Customer under this Agreement.

27. OPERATIONS AND MAINTENANCE

27.1. Work on Site of Other Party

- 27.1.1. When a Party is conducting work at the other Party’s site, the working Party shall:
- (a) subject to section 27.1.2, comply with all of the host Party’s practices and requirements relating to occupational health and safety and environmental protection;
 - (b) comply with all applicable law relating to occupational health and safety and environmental protection; and
 - (c) comply with all of the host Party’s reasonable practices and requirements relating to security of the host Party’s site, including entering into an access agreement on reasonable terms relating to security of the host Party’s site.

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27.1.2. When a Party is conducting work at the other Party’s site, the working Party shall comply with its own practices and requirements in relation to occupational health and safety and environmental protection:

- (a) to the extent permitted by the host Party, which permission shall not be granted unless the host Party is satisfied that the working Party’s practices and requirements provide for a level of safety or protection that equals or exceeds its own; or
- (b) to the extent that the host Party has not made its practices or requirements known to the working Party.

27.2. General

27.2.1. Each Party shall ensure that its facilities are operated and maintained only by persons qualified to do so.

27.2.2. Each Party shall operate and maintain its facilities in accordance with Schedule A.

27.3. Controlling Authorities

27.3.1. The Controlling Authority for each Party is the person identified as such in Schedule A. A Party may, by written notice to the Controlling Authority of the other Party, from time to time change its Controlling Authority, and the Parties shall amend Schedule A accordingly.

27.3.2. A Party shall comply with any request received from the Controlling Authority of the other Party.

27.4. Communication Between the Parties

27.4.1. Except as otherwise provided in this Agreement, all communications between the Parties relating to routine operating and maintenance matters shall be exchanged between the Parties’¹ respective Controlling Authorities in accordance with the contact information set out in Schedule A, or as otherwise specified in Schedule A.

27.4.2. Each Party shall provide the other Party with a communications protocol to be used by that other Party in emergency situations. The protocol shall include the name of the Party’s site emergency coordinator.

27.5. Switching

27.5.1 Each Party shall, through its Controlling Authority, develop a written protocol that establishes the conditions for, and the coordination of, switching in respect of equipment under its control.

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27.5.2. The Parties shall, through their respective Controlling Authorities, approve one another's switching protocols.

27.5.3. A Party may, with the consent of the other Party, appoint an employee of the other Party as its designate for switching purposes, provided that orders to operate must be issued by the Party's Controlling Authority.

27.5.4. The Transmitter may issue to the Customer, and the Customer shall comply with, such switching instructions as may be required to maintain the security and reliability of the Transmitter's transmission system.

27.5.5. The Controlling Authorities of the Parties shall, prior to the time at which any switching activity is to occur, agree upon procedures for such switching activity.

27.6 Isolation of Facilities at Customer's Request

27.6.1. A Party shall not, other than in an emergency, operate an isolating disconnect switch except on prior notice to the other Party.

27.6.2. If the Customer requires isolation of its own facilities or of facilities under the Transmitter's control, the Customer's Controlling Authority shall deliver a written notice to that effect to the Transmitter's Controlling Authority. The written notice shall contain the following:

- (a) a request that the Transmitter's Controlling Authority provide a Supporting Guarantee;
- (b) the Transmitter's assigned equipment operating designations, if applicable; and
- (c) the Customer's assigned equipment operating designations if the Transmitter's equipment operating designations have not been assigned.

27.6.3. After the written notice referred to in section 27.6.2 has been delivered, the Customer's Controlling Authority may request, and the Transmitter's Controlling Authority shall ensure, that the isolation and subsequent reconnection of the Customer's relevant equipment is done on a timely basis. The Parties shall bear their own costs and expenses associated with such isolation and reconnection.

27.6.4. The Transmitter may, provided that it has given advance notice to the Customer, lock the isolating disconnect switch in the open position in any of the following circumstances:

- (a) where necessary to protect the Transmitter's personnel or equipment and the Transmitter has received a Supporting Guarantee from the Customer, in which case the lock shall be under the Transmitter's control for the duration of the Supporting Guarantee;

- (b) where the operation of the Transmitter’s equipment interferes with the operation of the Customer’s equipment;
- (c) where equipment owned by either Party interferes with the operation of the Transmitter’s transmission system; or
- (d) where the Transmitter has been directed by the IESO to do so in accordance with the Market Rules.

27.7. Isolation of Facilities at Transmitter’s Request

27.7.1. If the Transmitter requires isolation of its own facilities from the Customer’s facilities or isolation of facilities under the Customer’s control, the Transmitter’s Controlling Authority shall deliver a written notice to that effect to the Customer’s Controlling Authority. The written notice shall contain a request that the Customer’s Controlling Authority provide a Supporting Guarantee that identifies the Customer’s assigned equipment operating designations.

27.7.2. After the written notice referred to in section 27.7.1 has been delivered, the Transmitter’s Controlling Authority may request, and the Customer’s Controlling Authority shall ensure, that the isolation and subsequent reconnection of the Transmitter’s relevant equipment is done on a timely basis. The Parties shall bear their own costs and expenses associated with such isolation and reconnection.

27.8. Alternative Method of Isolation

27.8.1. A Party may establish its own Work Protection in place of obtaining a Supporting Guarantee from the other Party.

27.8.2. The Party whose facilities are required in order to establish Work Protection shall provide the other Party with access to those facilities.

27.8.3. Establishing Work Protection shall be limited to the hanging of tags and the locking of devices.

27.9. Forced Outages

27.9.1. Where the forced outage of the facilities of one Party adversely affects the facilities of the other Party, the Controlling Authority of the Party experiencing the forced outage shall promptly notify the Controlling Authority of the other Party of the forced outage.

27.9.2. The Controlling Authority of a Party shall have sole authority to identify the need for and to initiate a forced outage of that Party’s facilities.

27.10. Planned Work

27.10.1 Where planned work to be performed by a Party may affect the safety of the other Party’s personnel, the Party performing the work shall provide the other Party with all required Work Protection documentation and related notices in writing or by such other means as they may agree in writing.

27.10.2 Where planned work on the facilities of a Party:

- (a) requires the participation or cooperation of the other Party; or
- (b) could adversely affect the normal operation of the other Party’s facilities,

the other Party shall use commercially reasonable efforts to accommodate the planned work and shall negotiate in good faith the reasonable procedures and cost sharing criteria applicable to the planned work.

27.10.3 The Customer shall take all reasonable steps to ensure that all anticipated and planned outages of its facilities for each calendar year are submitted to the Transmitter by October 1st of the preceding year.

27.10.4 All planned work on the Customer’s facilities that may affect the Transmitter’s transmission facilities shall be scheduled by the Customer with the Transmitter’s Controlling Authority.

27.10.5. Where the Customer plans work on its facilities that:

- (a) requires a feeder breaker to be opened or operated;
- (b) requires any disconnection or isolation from any facilities of either Party that are less than 50 kV, such as a feeder breaker;
- (c) will result in power flow or load changes of greater than 5 MW; or
- (d) will involve a transfer, load transfer or a switching operation that directly affects the Transmitter’s transmission facilities,

the Customer’s Controlling Authority shall submit a request to the Transmitter’s representative identified in Schedule A, including a request to provide a Supporting Guarantee where applicable. Such request shall be submitted in writing and shall be submitted at least four days in advance of the planned work or within such other period as the Parties may agree.

27.10.6 Where the Customer plans work on its facilities that requires that multiple feeder breakers, a station bus or a whole transformer station be operated, the Customer’s

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Controlling Authority shall submit a request to the Transmitter’s representative identified in Schedule A, including a request to provide a Supporting Guarantee where applicable. Such request shall be submitted in writing and shall be submitted at least ten days in advance of the planned work or within such other period as the Parties may agree.

27.10.7. Where the Transmitter plans work on its facilities that directly affects the Customer’s facilities and that requires that multiple feeder breakers, a station bus or a whole transformer station be operated, the Transmitter’s Controlling Authority shall give notice of the planned work to the Customer’s representative identified in Schedule A. Such notice shall be submitted in writing and shall be submitted at least ten days in advance of the planned work or within such other period as the Parties may agree.

27.10.8. Where the Transmitter plans work on its facilities that directly affects the Customer’s facilities and that requires a feeder breaker to be opened or operated, the Transmitter’s Controlling Authority shall give notice of the planned work to the Customer’s representative identified in Schedule A. Such notice shall be submitted in writing and shall be submitted at least four days in advance of the planned work or within such other period as the Parties may agree.

27.10.9 The Controlling Authority of a Party may submit to the other Party a written request for permission to re-schedule planned work that has been previously notified to or scheduled with that other Party. Such request must be given in writing at least two business days prior to the date on which the planned work was originally scheduled to occur.

27.10.10. If a Party’s request to re-schedule cannot be reasonably accommodated by the other Party and the Parties cannot agree on an alternate date, the matter shall be submitted to the dispute resolution process set out in section 17.

27.11. Shutdown of Customer’s Facilities

27.11.1. The Customer’s Controlling Authority shall promptly notify the Transmitter’s Controlling Authority in the event that the Customer’s facilities are shut down for any reason. The Transmitter shall investigate and determine the cause of the shutdown, using available evidence including input from the Customer’s staff.

27.11.2. Once the Transmitter is satisfied that reconnection of the Customer’s facilities following a shut down will not adversely affect the Transmitter’s transmission system, the Transmitter shall notify the Customer as soon as practicable that it may reconnect its facilities to the Transmitter’s transmission facilities. The Customer shall not reconnect its facilities to the Transmitter’s transmission facilities following a shut down until authorized to do so by the Transmitter’s Controlling Authority. Reconnection shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section

6.10.3 of the Code or, in the absence of such procedures, in accordance with procedures agreed between the Parties.

27.12. Emergency Operations

27.12.1. During an emergency or in order to prevent or minimize the effects of an emergency, a Party may without prior notice to the other Party take whatever immediate action it deems necessary to ensure public safety or to safeguard life, property or the environment.

27.12.2. Where a Party takes action under section 27.12.1, it shall promptly report the action taken and the reason for that action to the other Party’s Controlling Authority.

27.12.3. During an emergency or in order to prevent or minimize the effects of an emergency, the Transmitter may interrupt supply to the Customer’s facilities in order to protect the stability, reliability or integrity of the Transmitter’s transmission facilities or to maintain the availability of those facilities. In such a case, the Transmitter shall notify the Customer as soon as possible of the transmission system’s emergency status and of when to expect the resumption of normal operations. The Transmitter shall notify the Customer once the Transmitter determines that the Customer’s facilities may be reconnected. The Customer shall not reconnect its facilities until authorized to do so by the Transmitter.

27.12.4. The Customer shall provide to the Transmitter a rotational load-shedding schedule that identifies the loads that may be required to be shed under section 27.12.5. The schedule shall also identify the controllable devices for each such load. The Transmitter may review the rotational load-shedding schedule with the Customer annually or more often if required.

27.12.5. Where it is directed to do so by the IESO, the Transmitter’s Controlling Authority shall initiate rotational load shedding in accordance with Schedule A. The Customer shall respond in accordance with Schedule A and shall comply with the Transmitter’s Controlling Authority’s direction to shed load.

27.12.6. Where it is directed to do so by the IESO, the Transmitter’s Controlling Authority shall initiate a rotational load shedding simulation in accordance with Schedule A. The Customer shall respond in accordance with Schedule A.

27.12.7. In an emergency, the Parties shall communicate in accordance with the communications protocols provided to one another under section 27.4.2.

27.13. Access to and Security of Facilities

27.13.1. Each Party shall ensure that its facilities are secure at all times. Where a Party’s

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facilities are located on the site of another Party, the Parties shall cooperate to ensure the security of those facilities in accordance with section 27.1.1(c).

- 27.13.2. Each Party shall be entitled to access the site or facilities of the other Party at all reasonable times where required in order to carry out work on its facilities or where otherwise permitted or required under this Agreement. Such access shall be effected in accordance with sections 27.13.4 and 27.13.5.
- 27.13.3. Each Party shall, to facilitate the exercise by the other Party of its access rights, provide that other Party with all applicable access procedures, including procedures relating to access codes and keys.
- 27.13.4. Where a Party wishes to exercise its right of access to the site or facilities of the other Party, the accessing Party shall provide reasonable prior notice to the host Party of the date, time and location of access and of the nature of the work to be undertaken. Where the accessing Party’s access cannot reasonably be accommodated by the host Party, the Parties shall agree on another date and time for access.
- 27.13.5. Where a Party is exercising its right of access, the Party shall:
- (a) comply with the obligations set out in section 27.1;
 - (b) ensure that any person that will have access to the host Party’s site or facilities has been properly trained;
 - (c) comply with the procedures provided to it by the host Party under section 27.13.3;
 - (d) not damage or interfere with the host Party’s property (provided that the exercise of the right of access shall not itself be considered interference); and
 - (e) not interact with representatives of the host Party other than the person designated for such purpose by the host Party or as may be permitted by that designated person.
- 27.13.6. Where an accessing Party causes damage to or loss of any property of the host Party, the accessing Party shall promptly notify the host Party. Notwithstanding any provision of section 15, the accessing Party shall pay to the host Party the host Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.
- 27.13.7. Where the property of a Party is on the site of the other Party, the host Party shall not interfere with or cause damage to or the loss of that property. Where the host Party causes such damage or loss, the host Party shall promptly notify the other Party. Notwithstanding any provision of section 15, the host Party shall pay to

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the other Party the other Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

27.13.8. In addition to the general right of access referred to in section 27.13.2, the Transmitter may access the site or facilities of the Customer in order to ensure that the Customer’s facilities comply with the requirements of this Agreement or for the purpose of investigating a threat or potential threat to the security of the Transmitter’s transmission system. Such right of access shall be exercised in accordance with the provisions of this section 27.13.

27.13.9. Nothing in this section 27.13 shall prevent or restrict a Party from doing any of the following in an emergency or where required to prevent or minimize the effects of an emergency:

- (a) interfering with the property of the other Party that is on its site; or
- (b) accessing the site of the other Party without notice.

Where a Party takes such action and causes damage to or loss of the property of the other Party, the acting Party shall promptly notify the other Party. Notwithstanding any provision of section 15, the acting Party shall pay to the other Party the other Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

28. INSPECTION, TESTING, MONITORING AND NEW, MODIFIED OR REPLACEMENT CUSTOMER FACILITIES

28.1. General Requirements

28.1.1. The Customer shall inspect, test and monitor its facilities to ensure continued compliance with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1.

28.1.2. Where the Transmitter carries out any inspection, testing or monitoring of the Customer’s facilities where required or permitted under this Agreement, the Customer shall pay the Transmitter’s reasonable costs of doing so.

28.1.3. The Transmitter shall inspect, test and monitor its transmission facilities to ensure continued compliance with all applicable instruments and standards referred to in section 4.3.1 of the Code.

28.1.4. Each Party shall maintain complete and accurate records of the results of all performance inspection, testing and monitoring that it conducts in fulfillment of its obligations under this Agreement. Such records shall be maintained by each Party for a minimum of seven years or for such shorter time as the Board may permit.

28.1.5. Each Party shall, at the request of the other, provide the other Party with the records referred to in section 28.1.4. Without limiting the generality of the foregoing, the Customer shall, at the Transmitter’s request, provide the Transmitter with:

- (a) test certificates certifying that the Customer’s facilities have passed all relevant tests and comply with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1; and
- (b) copies of any certificates of inspection or other applicable authorizations or approvals received from the Ontario Electricity Safety Authority in relation to the Customer’s facilities.

28.2. New, Modified or Replacement Customer Facilities

- 28.2.1. The Customer shall, at the Transmitter’s request, permit the Transmitter to inspect, test or witness the commissioning of any of the Customer’s new, modified or replacement facilities where the Transmitter reasonably considers that such new, modified or replacement facilities may adversely affect the performance of the Transmitter’s transmission system. The Customer shall pay the Transmitter’s reasonable costs of doing so.
- 28.2.2. Where section 28.2.1 applies, the inspection, testing or commissioning of the Customer’s facilities shall be conducted at a time that is mutually agreed by the Customer and the Transmitter. If the inspection, test or commissioning is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, the Party shall, at the request of the other ~~Party~~party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the inspection, testing or commissioning activity.
- 28.2.3. The Customer shall, at the Transmitter’s request, provide the Transmitter with test certificates, including any certificates of inspection or other applicable authorizations or approvals that the Ontario Electrical Safety Authority may have issued, certifying that any of the Customer’s new, modified or replacement facilities have passed the relevant tests and comply with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1. The Transmitter may require the provision of these certificates as a condition of connecting any of the Customer’s new, modified or replacement facilities. The Customer acknowledges that the Transmitter cannot, where a connection authorization or other applicable authorization or approval issued by the Ontario Electrical Safety Authority is required in relation to the Customer’s new, modified or replacement facilities, connect such facilities unless that connection authorization has been issued.
- 28.2.4. The Transmitter shall provide to the Customer such technical parameters as may be required to assist the Customer in ensuring that the design of the Customer’s facilities shall be consistent with the requirements applicable to the Transmitter’s transmission system as set out in this Agreement.
- 28.2.5. The Customer shall not make any modifications to its facilities of a type that is specified in section D.2 of Schedule D without the prior approval of the Transmitter.

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[Section 28.2.6 and Signature Page Follows]

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28.2.6. Where the Transmitter considers that a type of modification that is not already specified in section D.2 of Schedule D is likely to have a material adverse effect on the Transmitter’s transmission facilities, on the facilities of another of the Transmitter’s customers or on the facilities of one of the Transmitter’s neighbouring Ontario transmitters, the Transmitter shall so notify the Customer. The Parties shall then negotiate in good faith appropriate amendments to section D.2 of Schedule D.

PART TEN
SCHEDULE M~~J~~

29. COMPLIANCE WITH SCHEDULE M~~J~~

29.1. The Parties shall comply with their respective obligations under Schedule M~~J~~.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have caused this Agreement to be executed by their duly authorized representatives.

HYDRO ONE NETWORKS INC.

By: _____

Name:

Title:

I have Authority to bind the Corporation

Editors Note: Complete appropriate signing block information (based on customer type) below and delete unused sections before printing.

[IF A CUSTOMER IS A CORPORATION]

[INSERT FULL LEGAL CORPORATE NAME OF CUSTOMER]

By: _____

Name:

Title:

I have Authority to bind the Corporation

[IF A CUSTOMER IS A LIMITED PARTNERSHIP]

[INSERT FULL LEGAL NAME OF LIMITED PARTNERSHIP] By its General Partner,

[INSERT FULL LEGAL NAME OF GENERAL PARTNER]

By: _____

Name:

Title:

I have Authority to bind the General Partnership.

The General Partnership has Authority to bind the Limited Partnership.

**SCHEDULE A
SINGLE LINE DIAGRAM, DESCRIPTION OF THE CUSTOMER’S CONNECTION
POINT(S) AND DETAILS OF SPECIFIC OPERATIONS**

A.1. SINGLE LINE DIAGRAM AND CONNECTION POINT(S)

[to be inserted by the Parties]

A.2. LIST OF FACILITIES ON THE PROPERTY OF THE OTHER PARTY

A.2.1. The following Customer facilities are located on the Transmitter’s site:

[to be completed by the Parties]

A.2.2. The following Transmitter’s transmission facilities are located on the Customer’s site:

[to be completed by the Parties]

A.3. TELEPHONE CONTACT

A.3.1. Either Party has the right to change the position designations and telephone numbers listed below with immediate effect at any time by notice in writing delivered to the other Party by fax or other telegraphic means. Any employee of a Party with apparent authority may deliver such a notice to the other Party.

A.4. OWNER AND OPERATING CONTROL

A.4.1. A Party may change its designated controlling authority set out below at any time during the term of the Agreement, subject to the following conditions:

(a) the Transmitter may change its designated controlling authority only for the Transmitter’s transmission facilities;

Day to Day Operations

For the operation of the Transmitter’s transmission facilities and the Customer’s facilities.

Transmitter	Customer
Operating Contacts:	
Position:	
Name:	
Location:	
Phone	
Number:	

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Fax
Number:

Outage Planning:

Position:
Name:
Location:
Phone
Number:
Fax
Number:

Position:
Name:
Location:
Phone
Number:
Fax
Number:

Position:
Name:
Location:
Phone
Number:
Fax
Number:

Notes:

Contract Administration for operating services

Transmitter

Customer

Position:
Name:
Location:
Phone
Number:
Fax
Number:

Position:
Name:
Location:
Phone
Number:
Fax
Number:

Position:

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Name:
Location:
Phone
Number:
Fax
Number:

A.4. OWNER AND OPERATING CONTROL

A.4.1. A Party may change its designated controlling authority set out below at any time during the term of the Agreement, subject to the following conditions:

- (a) the Transmitter may change its designated controlling authority only for the Transmitter’s transmission facilities;
- (b) the Customer may change its designated controlling authority only for the Customer;
- (c) either Party shall notify the other in writing of any change in its designated controlling authority at least ten business days before implementing a change; and
- (d) notification of any changes to the controlling authority shall be exchanged between the Transmitter and the Customer as follows:

Transmitter	The Customer
Director – Transmission Operations Division	General Manager [Appropriate level of Management to be identified by the Customer]
All affected Controlling Authorities and Transmission Operations Management Centre	All affected Controlling Authorities

A.4.2. The Customer:

- (a) owns:
- (b) has operating control of:

A.4.3. The Transmitter:

- (a) owns:
- (b) has operating control of:

A.5. Metering Facilities Diagram

This diagram is based on the protection, control, and metering diagram.

A.6. Normal Operations

This Schedule shall include Customer-specific Information during normal operations.

A.7. Emergency Operations

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This Schedule would include Customer specific Information during Emergency operations.

A.8. Re-verification Schedules-Protection and Control (sample only)ⁱⁱⁱ

A.8.1. A Customer shall re-verify its station protections and control systems that can impact on the Transmitter’s transmission system. The maximum verification or re-verification interval is: four (4) years for most of the 115 kV transmission system elements including transformer stations and transmission lines, and certain 230 kV transmission system elements; and two (2) years for all other high voltage elements. The maintenance cycle can be site specific.

A.8.2. Customer shall advise the Transmitter at least fourteen (14) business days’ notice of its intention to conduct a reverification test, so that the Transmitter’s protection and control staff and system performance staff (if required) can observe:

- (a) re-verification of protection equipment settings specified in this Agreement;
- (b) relay recalibration;
- (c) test tripping of station breakers that impact on the Transmitter/Customer interface measurement and analysis of secondary AC voltages and currents to confirm measuring circuit integrity as well as protection directioning; and
- (d) measurement and analysis of secondary AC voltages and currents to confirm measuring circuit integrity.

Note: All tests must be coordinated and approved ahead of time through the normal outage planning process.

A.8.3. The following specific actions are required:

- (a) observe all station protections that trip and open the “enter the devices that interface with the Transmitter” for proper operation; and
- (b) confirm that settings approved by the Transmitter are applied to the following protections:
 - (i) over and under voltage;
 - (ii) transformer differential;
 - (iii) transformer phase and ground backup protection;
 - (iv) line protections;
 - (v) breaker or HVI failure protection; and
 - (vi) transfer and remote trip protections.

A.9. General Protections (sample only)^{iv}

1. There are no line protections at Site.
2. Transformer faults are cleared by the high voltage (HV) and medium voltage (MV) breakers.
3. The transformer protection sends a block to the Transmitter’s network transformer station or switching station to prevent out of zone tripping.
4. Breaker failure protection sends transfer trip and it is then cascaded to other stations.
5. Under Frequency Load Shedding relays that operate as follows:

[Set out Particulars]

A.10. Telecommunication Facility Details for Protection and Control Applications (sample only)^v

A.10.1. Telecommunication Medium

The communication medium used will be two (2) leased telephone circuits from Bell Telephone and these circuits are the responsibility of the Customer

A.10.2. Types of Telecommunication Channels

2 Blocking Channels
2 Transfer Trip Channels

A.10.3. Ownership of Telecommunication Terminal Equipment

The terminal equipment located at a given facility is owned by the Customer. The communication medium (leased telephone circuits) is considered to be owned by the Customer. Therefore, the Customer is responsible for the restoration of the failed communication medium.

The terminal equipment located at a switching station is owned by the Transmitter.

A.10.4. Responsibility for Work and Costs Associated with Breakdown and Routine Maintenance

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If maintenance is required on the terminal equipment located at the Customer’s facility, the Customer will bear all incurred costs.

If maintenance is required on terminal equipment located at sites owned by the Transmitter, the Transmitter will bear all incurred costs.

If maintenance or repair is required on the leased telephone circuits, the Customer will incur all associated costs. These costs will include charges by Bell Telephone and the Transmitter if its personnel are required to participate in any of the related activities.

A.10.5.Reverification Schedule

Routine Maintenance on communication equipment and the communication channels must be performed every two years.

A.10.6.

The provision of spare communication equipment is the Customers’ responsibility and will be located at its site.

A.10.7.Failure of Communication Equipment

If a communication failure affects either the transfer trip channels or the blocking channels; the Transmitter will decide whether or not the Customer should remain connected to the high- voltage system. The Transmitter must advise the Customer, through the appropriate communication protocol outlined in this code, of the situation, the choices available to the Customer and the risks involved. Since the Transmitter will take the decision according to its own interests, the Customer can choose to remain or separate from the high-voltage system at its own risk.

A.10.8.Mean Time for Repairs

The mean time for repairs will be within two working days, dependent on the availability of staff of Bell Telephone and the Transmitter.

A.10.9.Provision of Purchase Order by Customer to Transmitter

The Customer will provide the Transmitter’s designated leader with a purchase order, so that the Transmitter may apply appropriate charges to the Customer.

vi A11.1. Scope

A11.1.1 Rotational Load Shedding

This instruction assigns authority and defines responsibilities for manual primary load shedding that may be required to correct abnormal conditions on the IESO-controlled grid or the Transmitter’s transmission facilities. Procedures are also outlined for conducting simulation of rotational load shedding.

A11.1.2. Information

From time to time the IESO-controlled grid or the Transmitter’s transmission facilities may experience abnormal conditions. To minimize their impact, and to restore and maintain security of operations, prompt control action must be taken. The control actions are numerous and vary according to the abnormal condition.

In extreme situations, the only way to correct abnormal conditions may be to shed primary firm load. Recognizing the impact on the Customer, this control action must be pre-planned as much in advance as possible. Rotational load shedding of primary firm load provides assurance that the abnormal condition will be quickly corrected while allowing for Customer selectivity. The schedule shall comply with the IESO’s rules, procedures and policies in effect at the relevant time.

A11.1.3. Response to Controlled Rotational Load Shedding

The request to implement a controlled rotation load shed will be as directed by the IESO and can come from the Transmitter’s controlling authority located at the Transmitter’s territory operating centre.

The request for implementation will follow this model:

“To comply with directions from the IESO, this is the Transmitter’s controlling authority calling. We are currently implementing a rotational load shed. Would you please reduce your load to X MWs. You will be notified when conditions allow you to return to full load.”

The Customer’s response will follow this model:

“I understand that the Transmitter’s controlling authority is implementing a rotational load shed and that I am to reduce load to X MWs. Is that correct?”

The Transmitter’s controlling authority will confirm the request.

A11.1.4. Response to Controlled Rotational Load Shedding Simulation

The request to simulate a controlled rotation load shed will be as directed by the IESO and can come from the Transmitter’s controlling authority located at the Transmitter’s territory operating centre.

The request for simulation will follow this model:

“To comply with directions from the IESO, this is the Transmitter’s controlling authority calling. We are currently simulating a rotational load shed. Would you please simulate a load shed of X MWs.

Please inform me of your steps and the actual amount of the simulated load shed you are able to achieve.”

The Customer’s response will follow this model:

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“I understand that the Transmitter Controlling Authority is simulating a Rotational Load Shed and that I am to simulate a load shed of X MWs. Is this correct?”

The Transmitter’s controlling authority will confirm the request and both operators will remain on line to review procedure and collect Information.

SCHEDULE B

TRANSMISSION SERVICES AND ASSOCIATED CHARGES

- B.1. This Schedule applies where the Customer’s facilities are connected to those of the Transmitter’s transmission facilities that form part of the IESO-controlled grid.
- B.2. In this Schedule and in Attachment B1:
- (a) the terms “Delivery Point” and “Network Service” shall have the meaning given to them in the Transmitter’s Rate Order; and
 - (b) the terms “Registered Wholesale Meter”, “Metering Registry” and “Metering Service Provider” shall have the meaning given to them in the Market Rules.
- B.3. The Customer shall not be entitled to receive, and the Transmitter shall not be required to provide, any transmission services unless the Customer and the Customer’s facilities comply with all applicable requirements of this Agreement and with all revenue metering and associated billing and settlement requirements of the Market Rules. Without limiting the generality of the foregoing, the Customer must provide the following information to the Transmitter:
- (a) the identity of each Delivery Point associated with Customer’s facilities, including the voltage supply level;
 - (b) a forecast of the Customer’s demand at each such Delivery Point; and
 - (c) if applicable, the identity of each generation unit that is embedded relative to the Customer (determined in accordance with section JO.1 of Schedule JO)^{vii} and the following information in respect of each such generation unit: (i) installed capacity; (ii) date on which all approvals required for installation of the generation unit were obtained; (iii) technology type; and (iv) fuel or generation source type.
- B.4. Where the Customer wishes to obtain Export Transmission Service, the Customer shall arrange for and obtain that transmission service in accordance with the requirements of the Market Rules.
- B.5. Charges for transmission services provided to the Customer shall be determined and billed in accordance with the Transmitter’s Rate Order and the Market Rules.
- B.6. Transmission service charges shall be paid by the Customer to the IESO in accordance with the Market Rules. A dispute related to an amount payable by the Customer to the IESO on account of transmission service charges that is subject to the dispute resolution provisions of the Market Rules shall be resolved in accordance with those provisions. Nothing in this section B.6 shall preclude a Customer from initiating a dispute under this Agreement in relation to the applicability of transmission service charges or the classification of transmission service charges.^{viii}

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B.7. The Parties may agree to use Attachment B1 or an amended version of Attachment B1 in connection with the payment of transmission service charges^{ix}.

B.8. Without limiting the generality of section B.5: ^x

- (a) transmission services shall be charged on the basis of the Delivery Point associated with the Customer’s facilities;
- (b) where there is more than one Delivery Point associated with the Customer’s facilities, transmission services shall be charged individually for each Delivery Point (with the result that the Customer’s demand at multiple Delivery Points cannot be aggregated);
- (c) where a Delivery Point associated with the Customer’s facilities is also a Delivery Point for the facilities of an affiliate of the Customer, the demand at that Delivery Point may be aggregated if the facilities are on a single site or if the facilities are on adjacent sites owned by the Customer or by the Customer and an affiliate of the Customer; and
- (d) charges for transmission service shall be calculated after taking account of site-specific losses as determined in accordance with the Market Rules.

~~B.7. Transmission service charges shall be paid by the Customer to the IESO in accordance with the Market Rules. A dispute related to an amount payable by the Customer to the IESO on account of transmission service charges that is subject to the dispute resolution provisions of the Market Rules shall be resolved in accordance with those provisions. Nothing in this section B.7 shall preclude a Customer from initiating a dispute under this Agreement in relation to the applicability of transmission service charges or the classification of transmission service charges.~~

~~B.8.~~B.9. The Customer shall notify the Transmitter in the event of a material change in any of the information referred to in section B.3 relative to the most recent information provided to the Transmitter.

~~B.9. The Parties may agree to use Attachment B1 or an amended version of Attachment B1 in connection with the payment of transmission service charges.~~

Attachment B1
Billing for Transmission Service Charges and Designation of Agent
(as permitted by section B.97 of Schedule B)

As contemplated in the Transmitter’s Rate Order, the IESO will submit invoices for transmission services to market participants that utilize Network Service or Export Transmission Service.

The Market Rules and the Transmitter’s Rate Order require that transmission service charges payable by transmission customers shall be collected by the IESO. The billing and settlement processes used by the IESO are designed to collect transmission service charges from entities that are market participants, using meter readings that are totalized and loss adjusted. The Customer shall ensure that any Registered Wholesale Meter used for the purposes of determining transmission service charges payable by the Customer satisfy the wholesale metering requirements and associated obligations specified in Chapter 6 of the Market Rules (including the appendices to that Chapter).

The Customer may wish to designate to another entity that is a market participant (referred to as the “Transmission Customer Agent”) the responsibility for paying some or all of the transmission service charges payable by the Customer and the responsibility for satisfying the wholesale metering requirements and associated obligations specified in Chapter 6 of the Market Rules (including the appendices to that Chapter). Any such designation shall be made on the basis of delivery points and associated connection points with respect to which the Customer has transferred the obligations to the Transmission Customer Agent.

Where the Customer wishes to so designate another entity as its Transmission Customer Agent, the Customer and the Transmission Customer Agent shall sign the form set out below and return it to the Transmitter. Once the designation takes effect, the transmission service charges payable by the Transmission Customer Agent will be calculated by the IESO as though the Transmission Customer Agent were the Customer with respect to the designated connection points at the applicable delivery points. Except as otherwise provided in ~~section B.6 of~~ Schedule B, the demand designated to the Transmission Customer Agent by the Customer shall not be aggregated with any demand for which (a) the Customer retains the obligation to pay transmission service charges, (b) the Customer designates the obligation to another entity, or (c) another customer of the Transmitter designates the obligation to the Transmission Customer Agent.

[\[Transmission Customer Designation Form follows\]](#)

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Transmission Customer Designation Form

The undersigned Customer hereby transfers to the undersigned Transmission Customer Agent, and the undersigned Transmission Customer Agent hereby assumes and agrees to honour, all obligations and responsibilities for each Registered Wholesale Meter and the payment of transmission service charges associated with the connection points listed below. This transfer of obligations and responsibilities is in accordance with Schedule B of the Connection Agreement between the Customer and the Transmitter. The undersigned Transmission Customer Agent hereby agrees to register as a market participant with the IESO and to be subject to all of the requirements of the Market Rules for the purposes of payment of transmission service charges associated with the delivery points and associated connection points listed below. The Customer and the Transmission Customer Agent, as applicable, undertake to notify and oblige their respective Metering Service Provider(s) to ensure that the Metering Registry data maintained by the IESO in accordance with Chapter 6 of the Market Rules (including the appendices to that Chapter) is updated consistent with this designation.

List of delivery points and associated connection points for which obligations and responsibilities are transferred:

Delivery Point	Description of Associated Connection Points

<u>On Behalf of Customer</u>	<u>On Behalf of Transmission Customer Agent</u>
Signed: _____	Signed: _____
Title: _____	Title: _____
Date: _____	Date: _____
Business Name and Address: _____ _____	Business Name and Address: _____ _____

Received by Transmitter [Hydro One Networks Inc.]

Name:
Title:
Date: _____

The designation contained herein shall become effective once the Metering Service Provider(s) for the Customer and the Transmission Customer Agent submit(s) the information required in accordance with the change management process for the Metering Registry maintained by the IESO.

SCHEDULE C
CURE PERIODS FOR DEFAULTS

- C.1. The Cure Period for a Financial Default shall be:
- (a) seven business days; or
 - (b) ten business days, where notice has been given to the Transmitter under section 19.4.1.
- C.2. The Cure Period for a Non-financial Default shall depend on the impact of the Non-financial Default, determined by the Non-defaulting Party as follows:

Impact of Default	Description	Cure Period
Safety - Immediate	A Non-financial Default that could result in immediate injury or loss of life (e.g., exposed wires, destroyed station fence, etc.).	Promptly
Safety - Potential	A Non-financial Default that could result in injury or loss of life if a single contingency were to occur (e.g., substandard grounding)	Promptly
Environment B Immediate	A Non-financial Default that could result in immediate adverse effects on land, air, water, plants, or animals	Promptly
Asset Integrity	A Non-financial Default that could adversely affect the ability of an asset to operate within prescribed ratings (voltage, thermal, short circuit) or be maintained to required standards for the purpose of prolonging the lifespan of the asset or satisfying safety or environmental requirements	Promptly
Environmental - Potential	A Non-financial Default that could, if a single contingency were to occur, result in adverse effects on land, air, water, plants, or animals	30 days
Power Quality	A Non-financial Default that could result in a variation in electric power service that could cause the failure or improper or defective operation of end-use equipment, such as voltage sag, overvoltage, transients, harmonic distortion and electrical noise	30 days

- C.3. Where a Non-financial Default can have more than one impact and the impacts have different Cure Periods, the shortest of the Cure Periods shall apply.

**SCHEDULE D
FAULT LEVELS AND MODIFICATIONS REQUIRING APPROVAL BY THE
TRANSMITTER**

D.1. FAULT LEVELS

[to be completed by the Parties and updated as required, using Attachment]

D.2. MODIFICATIONS REQUIRING APPROVAL BY THE TRANSMITTER

- D.2.1. In accordance with sections 28.2.5 and 28.2.6, the Customer may not make any material changes, additions, modifications or removals to all or part of its Customer Facilities as defined by the Code that may impact the reliability of the Transmission Facilities owned by the Transmitter without the prior approval of the Transmitter. For example, material changes would be Customer changes that impact load flows and load profiles, power quality, fault levels and protection systems.
-

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**Attachment D1
Fault Levels
(as permitted by section D.1 of Schedule D)**

Tariff Delivery Point	Supply Voltage (kV)	Tx Connection Point Number	Tx Connection Point	3 Phase Fault Level (kA)	<u>LG</u> Fault Level (kA)
<u>(Usually the site specific name)</u>	<u>115, 230 or 500 choose one</u>				

The fault level data contained in this table has been derived by the Transmitter using the system information available at this time. Fault levels change continuously because of system conditions e.g. new generator connections, disconnection of load customers, and replacement of high voltage equipment. The Transmitter re-calculates this information annually. The fault level data should not be used in any engineering calculations without the Transmitter's written approval of such use. If the Customer requires fault level data for any specific project or planning application, the Customer should contact their Transmitter Account Executive and/or Planning Officer.

The Customer acknowledges and agrees that if it uses any of the fault level data without Transmitter's consent, the Customer assumes all responsibility and liability for the application to Customer's own operations and facilities; and the Customer further assumes all responsibility and liability for damages to Hydro One's equipment. In addition, the Customer releases, indemnifies and saves harmless the Transmitter from and against any and all damages, losses, costs, or expenses (the "Claims") arising in connection with the Customer's usage of the fault level data without the Transmitter's consent or in relation thereto. For the sake of clarity, and in no way limiting the generality of the foregoing, this release and indemnity expressly includes Claims arising from or caused or contributed to or by the Customer's failure to obtain the Transmitter's consent for the use of the fault level data values in any specific project or planning application.

SCHEDULE E

GENERAL TECHNICAL REQUIREMENTS

1.1 Intentionally left blank.

1.2 Isolation from the Transmission System

- 1.2.1. The Customer shall provide an isolating disconnect switch or device at the point or junction between the Transmitter and the Customer, i.e., at the point of the interconnection, which physically and visually opens the main current-carrying path and isolates the Customer’s facility from the transmission system.
- 1.2.2. The isolating disconnect switch shall meet the following criteria:
 - 1.2.2.1. it shall simultaneously open all phases (i.e., group-operated open/close) to the connection;
 - 1.2.2.2. it shall be lockable in the open and closed positions;
 - 1.2.2.3. when the device is used as part of the HVI failure protection system, it shall be motor-operated and equipped with appropriate control circuitry; and
 - 1.2.2.4. it shall be suitable for safe operation under the conditions of use.

1.3 Protection and Control

- 1.3.1. The protection systems, which protect~~s~~ transmission system elements, shall be capable of minimizing the severity and extent of disturbances to the transmission system while themselves experiencing a first-order single contingency such as the failure of a relay protection system to operate or the failure of a breaker to trip. In particular:
 - 1.3.1.1. the elements designated by the Transmitter or the IESO as essential to system reliability and security shall be protected by two protection systems. Each system shall be independently capable of detecting and isolating all faults on those elements. These elements shall have breaker failure protection, but breaker failure protection need not be duplicated. Both protection systems shall initiate breaker failure protection;
 - 1.3.1.2. to reduce the risk of both systems being disabled simultaneously by a single contingency, the protection system designs shall not use components common to the two systems;
 - 1.3.1.3. the use of two identical protection systems should be avoided, because it increases the risk of simultaneous failure of both systems due to design deficiencies or equipment problems;

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- 1.3.1.4. the protection systems shall be designed to isolate only the faulted element. For faults outside the protected zone, each protection system shall be designed either not to operate or to operate selectively in coordination with other protection systems;
- 1.3.1.5. Customer protection settings for protections affected by conditions on the transmission system shall be coordinated with those of the transmission system;
- 1.3.1.6. protection systems shall not operate to trip for stable power swings following contingencies that are judged by protection system designers as not harmful to the transmission system or its Customers;
- 1.3.1.7. the components and software used in all protection systems shall be of proven quality for effective utility application and following good utility practice;
- 1.3.1.8. critical features associated with the operability of protection systems and the high voltage interrupting device (HVI) shall be annunciated or monitored;
- 1.3.1.9. the design of protection systems shall facilitate periodic testing and maintenance. Test facilities and procedures shall not compromise the independence of the redundant protection systems. Test switches shall be used to eliminate the need to disconnect wires during testing;
- 1.3.1.10. the two protection systems shall be supplied ~~either~~ from separate secondary windings of a voltage and current transformer or from separate voltage and current transformers;
- 1.3.1.11. separately fused and monitored DC sources shall be used with the two protection systems. For all ~~generating~~Generating Facilities connected to the transmission system, two separate DC station battery banks shall be required to provide the required degree of reliability; and
- 1.3.1.12. protection system circuitry and physical arrangements shall be designed to minimize the possibility of incorrect operations from personnel error.
- 1.3.2. Specific protection and control practices and equipment requirements are set out in Schedule G of this Agreement.
- 1.3.3. Transmitters and Customers should apply protection systems, using the typical tripping matrix for transmission system protection shown in Exhibit E.2, of this Schedule E.

1.4. Insulation Coordination

- 1.4.1. Equipment connected to the transmission system shall be protected against lightning and switching surges. This shall include station shielding against direct lightning strokes, surge protection on all wound devices, and cable/overhead interfaces.

1.4.2. A tap connected to a shielded transmission circuit shall also be shielded.

1.4.3. The Transmitter shall review surge arrester ratings.

1.4.3.1. The Transmitter shall provide all relevant Information, e.g., ratings, to Customers upon request. The Transmitter, however is not responsible for the adequacy of design or correctness of the operation of any equipment or apparatus including the surge arrester(s).

1.5. Grounding

1.5.1. Grounding installations shall be capable of carrying the maximum foreseeable fault current, for the duration of such fault currents, without risking safety to personnel that may be present on site when a fault occurs, damage to equipment, or interference with the operation of the transmission system.

1.5.2. Each transformer, switching, or generating station shall have a ground grid on which all metallic structures, metallic equipment and non-energized metallic equipment are solidly connected. The size, type and requirements for the ground grid are site-specific, depending on such factors as soil conditions, station size, and short-circuit level.

1.5.3. The Transmitter shall review the ground potential rise (GPR) study submitted by the Customer at the Customer’s cost. The Customer shall comply with the Bell System Practices as they may be amended or modified from time to time and the IEEE standard 487 as it may be amended or modified from time to time for providing special high-voltage protection devices on metallic communication cables. The Transmitter assumes no responsibility for the adequacy of design or correctness of the operation of any equipment or apparatus associated with the Customer’s installation.

1.5.4. The placement of any additional grounding points on the transmission system shall require the approval of the Transmitter. The Transmitter shall give its approval if it is satisfied that the reliability of its transmission system is not affected.

1.6. Telemetry, Monitoring, and Telecommunications

1.6.1. Transmitters shall advise Customers of the performance and details of required telemetering facilities that serve them. Some requirements depend on the size and specific location of the connection to the transmission system. As a minimum, telemetry shall be required for the flow of real and reactive power through circuits and transformers, the voltages at selected points, and the status (open or closed) of switching elements.

1.6.2. A Transmitter may require a Customer to install monitoring equipment to track the performance of its facilities, identify possible protection system problems, and provide measurements of power quality. The responsibility for costs will be as

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determined by the Board. As required, the monitoring equipment shall perform one or several of the following functions:

- 1.6.2.1. sequence of events recording (SER) to record protection related events at a connection;
 - 1.6.2.2. digital fault recording (DFR) to permit analysis of transmission system performance under normal and abnormal conditions; or
 - 1.6.2.3. power quality monitoring (PQM) to record voltage transient surges, voltage sags and swells, voltage unbalance, supply interruptions, frequency variations and other voltage and current waveform monitoring.
- 1.6.3. Customers’ telecommunications facilities shall be compatible with those of the Transmitter and have similar reliability and performance characteristics. At the Transmitter’s discretion, some or all of the following functions may require telecommunication: protective relaying; system control and data acquisition (SCADA); voice communication; and special protection systems (e.g., generation rejection or runback).
- 1.6.4. Telecommunication facilities, design details, and performance requirements, associated with Customers’ facilities, shall be provided at the Customer’s expense.
- 1.6.5. The Customer shall bear all costs, without limitation, of providing the same telemetry data required under the Market Rules, associated with its facilities to the Transmitter and providing all required connection inputs to the Transmitter’s disturbance-monitoring equipment, except:
- 1.6.5.1. where the connection inputs to the Transmitter’s disturbance-monitoring equipment are of mutual benefit to the Customer and the Transmitter, in which circumstance the Customer and Transmitter shall share the cost of providing the data in proportion to the benefits received; or
 - 1.6.5.2. where the connection inputs to the Transmitter’s disturbance-monitoring equipment are required only for the Transmitter’s benefit, in which case the transmitter shall pay all of the costs associated with providing the data.

1.7. Inspecting and Commissioning Procedures

- 1.7.1. Customers shall ensure that any new or replacement equipment that they own is inspected and tested before initial connection to the transmission system. The initial verification tests shall confirm that the connection of the Customer’s facility to the transmission system:
- 1.7.1.1. does not pose any safety hazards;

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- 1.7.1.2. does not adversely affect operation of the transmission system in a material manner; and
 - 1.7.1.3. does not violate any requirement of the Code or this Agreement.
- 1.7.2. The Transmitter has the right to inspect the Customer’s facility and witness commissioning tests related to any new or replacement equipment that could reasonably be expected to adversely affect the transmission system. The initial verification shall include high-voltage interrupting devices, line disconnect switches, the line and bus connections from the dead-end structure to Customer’s facility, power transformers, surge arresters, DC batteries, and station service systems, protection, metering, and communication systems. The Customer shall have the right to the inspection reports relating to such facility.
- 1.7.3. The Transmitter assumes no responsibility for the adequacy of design or correctness of the operation of any equipment or apparatus associated with the Customer’s installation. The Transmitter shall notify the Customer of its findings regarding any potential problems or limitation of such equipment or apparatus owned by the Customer, without any responsibility.
- 1.7.4. The Customer shall advise the Transmitter of the commissioning program in writing, thirty business days before it proposes to begin the commissioning tests. The written notice shall include the connection commissioning schedule, the proposed test procedure, the test equipment to be used, and the transmission system conditions required, and also the name of the individual responsible for coordinating the proposed tests on the Customer’s behalf.
- 1.7.5. Within fifteen business days of receiving the notice, the Transmitter shall notify the Customer that it:
 - 1.7.5.1. agrees with the proposed connection commissioning program and test procedures; or
 - 1.7.5.2. requires changes in the interest of safety or maintaining the reliability of the transmission system, and that such changes shall be sent to the Customer promptly.
- 1.7.6. If the Transmitter requires changes, then the Parties shall act in good faith to reach agreement and finalize the commissioning program within a reasonable period.
- 1.7.7. The Customer shall submit the results of the commissioning tests to the Transmitter and must demonstrate that all its equipment complies with the Code and this Agreement.
- 1.7.8. If the commissioning test reveals non-compliance with one or more requirements of the Code or this Agreement, the Customer whose equipment was tested shall promptly meet with the Transmitter and agree on a process aimed at achieving compliance.

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1.7.9. The Transmitter may withhold permission to complete the commissioning and subsequent connection of the Customer to the transmission system if the relevant equipment fails to meet any technical requirement stipulated in the Code or this Agreement.

1.7.10. All reasonable costs incurred or associated with Transmitter’s witnessing of the verification tests shall be borne by the Customer.

1.8. Procedures for Maintenance and Periodic Verification

1.8.1. The Transmitter, using good utility practice, may specify the maintenance criteria and the maximum time intervals between verification cycles for those parts of Customers’ facilities that may materially adversely affect the transmission system. The obligations for maintenance and performance re-verification shall be stipulated in the appropriate schedule to this Connection Agreement.

1.8.2. Test switches shall be provided to isolate current and potential transformer input to the relays as well as a set of switches to isolate the relays tripping outputs from the power equipment control circuitry.

1.8.3. The reasonable cost of conducting maintenance and verification tests shall be borne by the Customer.

1.8.4. The Transmitter may appoint a representative to witness relevant maintenance and verification tests and the Customer shall permit the representative to be present while those tests are being conducted.

1.8.5. To ensure that the Transmitter’s representative can witness the relevant tests, the Customer shall submit the proposed test procedures and a test schedule to the Transmitter not less than ten business days before it proposes to carry out the test. Following receipt of the request, the Transmitter may delay for technical reasons the testing for as long as ten business days. The Transmitter will use best efforts to make the required test date.

1.8.6. The reasonable costs associated with the witnessing of verification tests by the Transmitter’s representative shall be borne by the Customer.

1.8.7. If a verification test reveals that the electrical equipment or protective relay system covered under the operations schedule does not comply with requirements, the Customer shall:

1.8.7.1. promptly notify the Transmitter of that fact;

1.8.7.2. promptly advise the Transmitter of its proposed remedial steps and its timetable for their implementation;







1.8.7.3. diligently undertake appropriate remedial work and provide the Transmitter with monthly reports on progress; and

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- 1.8.7.4. conduct further tests or monitoring on completing the remedial work, to confirm compliance with the relevant technical requirements.
- 1.8.8. The Transmitter’s reasonable costs associated with witnessing the performance tests following remedial work shall be borne by the Customer.
- 1.8.9. Customers shall make their maintenance records and verification test results, including up-to-date as-built drawings, available to the Transmitter upon request.







SCHEDULE E (CONT'D)

Exhibit E.1 Protection System Symbols and Devices

<u>Protection Systems - Symbols and Device Functions</u>	
51B	Transformer Phase Backup
50 / 51	Instantaneous / Timed Overcurrent
51V	Voltage Controlled Overcurrent
64	Line Ground Protection
79-25	Synchronizing Relay
A21 / B21	Line Phase Protection - A&B Group
A27 / B27	Undervoltage - A&B Group
A59 / B59	Overvoltage - A&B Group
A64-27 / B64-27	Ground Undervoltage - A&B Group
A64-59 / B64-59	Ground Overvoltage - A&B Group
A81U / B81U	Underfrequency - A&B Group
A81O / B81O	Overfrequency - A&B Group
A87 / B87	Transformer Differential - A&B Group
F	Failure Protection
L1, L2	Supply Line
T1, T2	Power Transformer
RT/TT	Remote or Transfer Trip for HVI Device Failure Protection
	Circuit Breaker
	Circuit Breaker with Reclosure
	HV Interrupting Device
	a) Circuit Breaker
	b) Circuit Switcher
	c) Vacuum Interrupter
	Motor Operated Disconnect Switch
	HV Transformer Bushing
	LV Transformer Bushing

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Protection Systems - Symbols and Device Functions

51B	Transformer Phase Backup
50 / 51	Instantaneous / Timed Overcurrent
51V	Voltage Controlled Overcurrent
64	Line Ground Protection
79-25	Synchronizing Relay
A21 / B21	Line Phase Protection - A&B Group
A27 / B27	Undervoltage - A&B Group
A59 / B59	Overvoltage - A&B Group
A64-27 / B64-27	Ground Undervoltage - A&B Group
A64-59 / B64-59	Ground Overvoltage - A&B Group
A81U / B81U	Underfrequency - A&B Group
A81O / B81O	Overfrequency - A&B Group
A87 / B87	Transformer Differential - A&B Group
F	Failure Protection
L1, L2	Supply Line
T1, T2	Power Transformer
RT/TT	Remote or Transfer Trip for HVI Device Failure Protection
	Circuit Breaker
	Circuit Breaker with Reclosure
	HV Interrupting Device
	a) Circuit Breaker
	b) Circuit Switcher
	c) Vacuum Interrupter
	Motor Operated Disconnect Switch
	HV Transformer Bushing
	LV Transformer Bushing

SCHEDULE E (CONT'D)

Exhibit E.2 Typical Transmission System Protection Tripping Matrix

The following is a simplified tripping matrix showing the breakers that trip for different protection systems on the transmission system based on a single line supply to a Customer station or a Transmitter’s tapped transformer station operating, at the high voltage side, above 50-kV-50kV. The type of Customer (i.e., load or Generator) station configuration and other site-specific factors will influence the desired tripping matrix. The same approach can be applied to large 44-kV developments. In some applications, it may be desirable to trip the MV breaker for Line ZI/T operations instead of the HV Breaker.

	INITIATING PROTECTION							
PROTECTION FUNCTION	LINE ZI	LINE ZT	TTR LOCAL	XFRM	BUS	B/F HV	FRAME LEAK *	B/F MV
TRIP HV BREAKERS	T	T		T	T	T	T	T
HV BREAKER FAILURE	I	I		I	I			
HV AUTO-RECLOSE	C	C		C	C	C	C	C
TRIP MV BREAKERS			T	T	T	T	T	T
MV BREAKER FAILURE			I	I	I		I	
MV AUTO-RECLOSE					C	C	C	C
TTT	S					S	S	
OPEN XFR XVR DISC				I				
RIP TRIP ADJACENT HV ZONES						I		
RIP ADJACENT TRIP ADJACEENT MV ZONES								I

T B trip breakers

I B initiate

C B cancel

S B send signal

HV B high voltage

TTR/T B transfer trip receive/transmit

ZI/T B impedance instantaneous/timed

B/F B breaker failure

MV B medium voltage

* - Frame leakage protection is normally associated with 500kV breakers

All transmission system elements, including breakers, in the zones of protection shall be fitted with redundant protection systems if devices operated at more than 50 kV, except as noted.

All breakers in the zone of protection that includes devices operated at more than 50 kV shall be fitted with the non-redundant breaker failure-protection systems. Transmission system reliability, as determined by the IESO, may require breaker failure protection on the transformer MV breaker.

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The Customer must be able to isolate (self-contain) his internal problems without having a major impact on the transmission system. Under certain circumstances, HV breakers may not be required for load Customer step-down transformers, provided that a motorized disconnect switch and redundant communication channels and paths are provided to isolate the transformer at the terminal stations if a fault occurs in the transformer zone of protection.

Medium-voltage buses require either duplicated differential protection or a single differential protection with an overcurrent backup.

SCHEDULE F^{xi}
ADDITIONAL TECHNICAL REQUIREMENTS ~~FOR TAPPED CONNECTIONS~~

- ~~(a) Transmitter's Tapped Transformer Stations; and~~
~~(b) Customer's Tapped Transformer Stations~~

1.1.1.1 Supply Considerations

~~1.1.1.1~~ 1.1.1 A high-voltage interrupting device (HVI) ~~device~~ shall provide clearing a point of ~~faults~~ in isolation for the load Customer's ~~s~~'s Storage Facility from the transmission system. HVIs shall be provided with appropriate back-up protection. The HVI shall be a circuit breaker ~~located at the connection point~~ unless the Transmitter authorizes another device ~~or location~~.

1.1.2 The HV side of the Customer's transformer shall be protected by surge arresters.

1.1.3 All protection systems shall be redundant and be complete with separate trip auxiliary relays and separately fused DC supplies.

1.1.4 The standard transformer winding connection is LV delta B HV wye. Any other winding connections shall require the approval of the Transmitter. The Transmitter shall give its approval if it is satisfied that the reliability of its transmission system is not affected.

1.1.5 Transmitter approval is required before grounding the neutral of power transformer windings at tapped transmission system stations.

1.2 Typical Generator Protection

1.2.1 The typical technical requirements for protection should be followed, as set out in Exhibit E.1 of Schedule E and Exhibits F.1 and F.2 of this Schedule F.

1.2.2 The typical protections used are shown in Exhibit F.3 of this Schedule F.

1.3 Protection against Internal Faults

1.3.1 The Customer shall provide a protection package to detect and isolate faults on its equipment as required by the Transmitter to respect the stability and reliability of the transmission system, equipment ratings, and safety requirements.

1.3.2 Transmission system reliability may require two transformer differential protections (A87, B87) and low-voltage breaker failure protection, as shown in Exhibit F.2 of this Schedule F.

1.3.3 When two transformer differential protections are not required, one transformer differential and one overcurrent protection shall suffice. The timing of this overcurrent protection shall not exceed 1.6 seconds. The Customer shall coordinate all its internal overcurrent protections.

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1.4 Protection against External Faults

1.4.1 The technique used for ground detection varies according to and depends on the type of winding configuration chosen for the power transformer.

1.4.1.1 if the transformer is connected ungrounded wye or delta on the primary, then ground undervoltage (64-27) and ground overvoltage (64-59) protections as shown in Appendix 11 are required to detect ground faults.

1.4.1.2 where the Transmitter has accepted a solidly grounded wye connection on the primary (Yg/D or Yg/Yg), ground overcurrent (64) protection(s) in the transformer neutral may be used to detect ground faults, as shown in Exhibit G.2 of Schedule G.

1.4.2 Typical protections that may be installed are: Distance Instantaneous and Timed (21), Phase Directional Overcurrent (67), Voltage Restrained Overcurrent (51V), Overcurrent (50/51), and Undervoltage (27), as shown in Exhibits F.1 and F.2 of this Schedule F.

1.4.3 To provide reliable phase-fault detection, the timed distance protection shall overreach the apparent impedance of the transmission line.

1.4.4 A remote/transfer trip system may be required to trip one or more breakers at the Customer’s Facility (?) or to trip breakers at a remote station.

1.4.4.1 protections that initiate opening of the remote supply breakers on the transmission system shall at the same time initiate opening of the main transformer high-voltage disconnect switch or line disconnect switch.

1.4.4.2 a signal that opens remote breakers on the transmission system shall be automatically removed when the main transformer disconnect switch or line disconnect switch opens. The signal shall only “seal-in” if the disconnect switch fails to open.

1.4.4.3 for DC remote tripping or transfer tripping, the Customer shall provide all necessary equipment associated with two monitored teleprotection channels of adequate conductance between the Customer’s station and one of the Transmitter’s terminal stations or tapped stations. Normally two circuits in the same cable would be acceptable, but to satisfy transmission system requirements, two separate cables following separate routes may be required. Customers[or should this be Storage Facility?] shall use relays and associated equipment following good utility practice guidelines and are compatible with the Transmitter’s remote trip or transfer trip equipment.

1.4.5 The protective setting to detect islanding/abnormal condition for smaller Storage Facilities shall be different from that used for larger Storage Facilities.

1.4.5.1 protections that may be required to detect islanding/abnormal conditions include, but are not limited to, Overvoltage (59), Undervoltage (27), Voltage balance (60),

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Overfrequency (81 O), and Underfrequency (81 U), as shown in Exhibits F.1 and F.2 of this Schedule F.

1.4.5.2 the frequency-protection settings on larger Storage Facility units shall coordinate with the provincial load-shedding system and with requirements of reliability organizations.

1.4.6 Blocking relays (21 BL) with remote signal-sending auxiliaries at the generating station and receiving auxiliaries at the transmission (terminal) station(s) may be required to prevent the Transmitter’s distance relays from operating due to faults on the Customer’s low-voltage bus. Communication media between the stations, similar to a single remote/transfer trip channel, would then be required for the blocking system, to prevent incorrect relay operation for this condition.

1.5 Autoreclosure and Manual Energization

1.5.1 The Customer shall provide suitable equipment to protect its plant and equipment for any conditions on the transmission system such as reclosing, faults, and voltage unbalance.

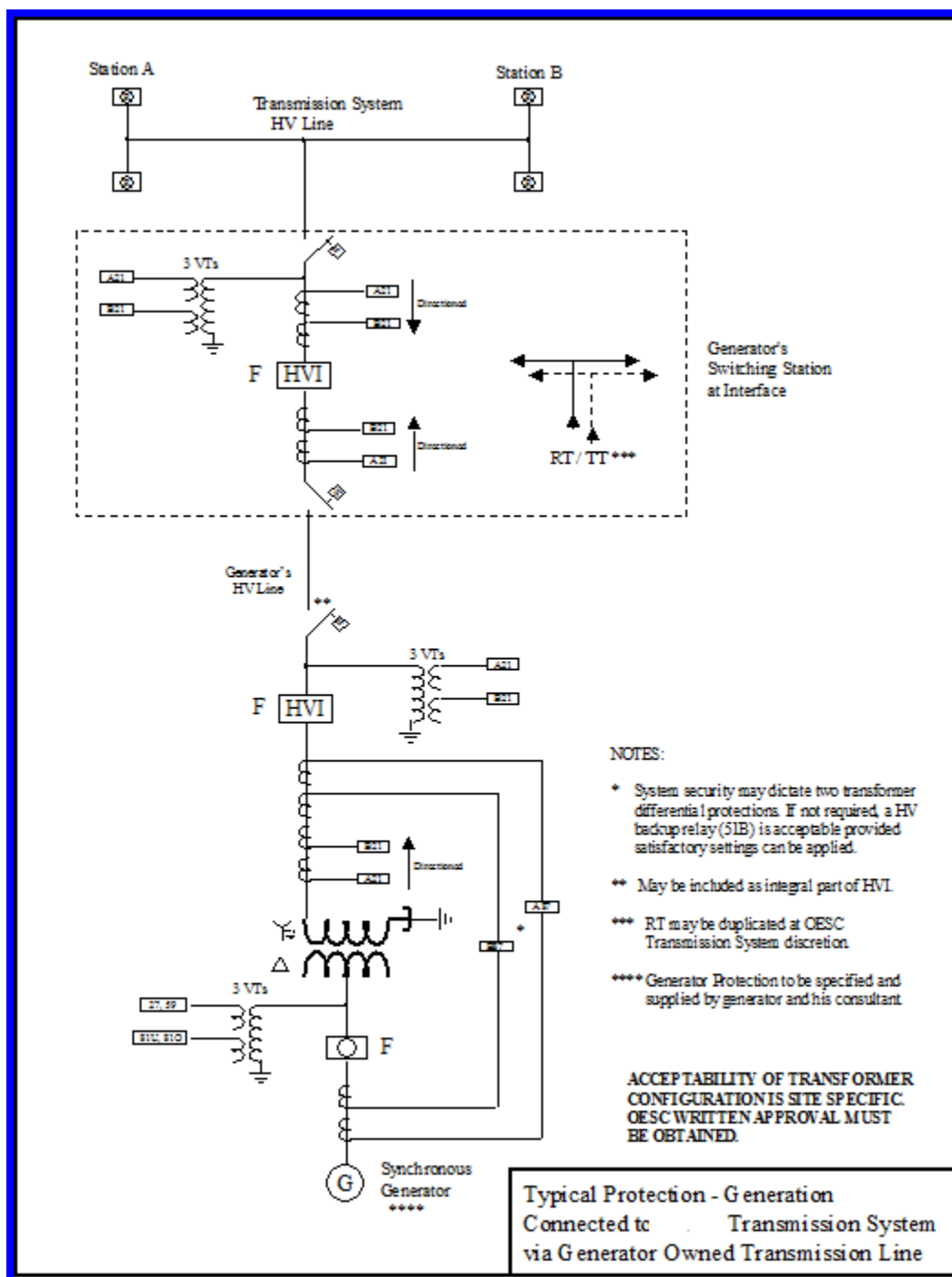
1.5.2 Following a protection operation on a transmission line, the transmission breakers, located mainly in network switching and/or transformation stations, shall autoreclose after a certain time delay. Where the Customer is directly connected to the transmission line, or for configurations where the Customer could be damaged by autoreclosure of the line, the Customer shall provide a reliable means of disconnecting its equipment before autoreclosure. The Customer is responsible for protecting its own equipment and the Transmitter is not liable for damage to the Customer’s equipment except as stipulated in section 15 of the Connection Agreement. The Customer may request a means of supervising the transmission autoreclosure prior to the disconnection of its equipment e.g. changes in protection logic at one or both stations to reduce the risk of such events. The criteria governing the use of reclosures are set out in the Ontario Hydro “Policies, Principles & Guidelines” document “C-3.4.1(R1), Automatic Reclosure and Manual Energization on Bulk System Electricity Circuits”, which was in effect as of April 1, 1999.

1.5.3 A Customer’s transmission system breaker shall not autoreclose without the Transmitter’s approval.

1.5.4 Manual energization of a Transmitter’s line by a Customer’s facilities is permitted only under the Transmitter’s direction.

SCHEDULE F (CONT'D)

EXHIBIT F.2 TYPICAL CUSTOMER-OWNED TRANSMISSION LINE PROTECTION REQUIREMENTS



7
PROTECTION REQUIREMENTS

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EXHIBIT F.3 **TYPICAL GENERATOR PROTECTIONS**

The following are typical Facility protections. The actual ones are to be specified and supplied by the Customer and its consultants. The Transmitter will be interested in the capabilities and settings of the frequency protections and voltage protections. The settings of the frequency protections on large units must comply with NPCC performance requirements. All protections settings must be submitted to the Transmitter and the IESO.

Typical Protections

<u>Thermal Units</u>	<u>Protections</u>	<u>Hydraulic Units</u>	<u>Protections</u>
<u>Differential</u>	<u>A87,B87</u>	<u>Differential</u>	<u>A87,B87SP</u>
<u>Stator Ground</u>	<u>A64N,B64N</u>	<u>Stator Ground</u>	<u>A64N,B64N</u>
<u>Loss of Excitation</u>	<u>A40,B40</u>	<u>Loss of Excitation</u>	<u>B40</u>
<u>Phase Unbalance</u>	<u>A46,B46</u>	<u>Phase Unbalance</u>	<u>A46</u>
<u>Over/under frequency</u>	<u>B81H,B81L</u>	<u>Overvoltage</u>	<u>A59</u>
<u>Over/under excitation</u>	<u>A59H,A59L</u>	<u>Phase Backup</u>	<u>B21B</u>
<u>Out-of-step</u>	<u>B21</u>	<u>Over/under frequency</u>	<u>B81H,B81L</u>
<u>Low Forward Power</u>	<u>A32,B32</u>	<u>Condense-to-Generate</u>	<u>B81-83</u>
<u>Sup Start Phase</u>	<u>A50S</u>		
<u>Sup Start Ground</u>	<u>A64S</u>		
<u>U/F Supervision</u>	<u>A81S</u>		
<u>Speed Switch</u>	<u>A14S</u>		

SCHEDULE F.1
ADDITIONAL TECHNICAL REQUIREMENTS FOR TAPPED TRANSFORMER STATIONS SUPPLYING LOAD:

- (a) Transmitter's Tapped Transformer Stations; and
(b) Distributor's and Consumer's Tapped Transformer Stations

1.1. Supply Considerations

- 1.1.1 A high-voltage interrupting (HVI) device shall provide clearing of faults in the load Customer's system. HVIs shall be provided with appropriate back-up protection. The HVI shall be a circuit breaker located at the connection point unless the Transmitter authorizes another device or location.
- 1.1.2. The Transmitter shall determine, in consultation with its Customers, the supply voltage to the Customer. The 115 kV or 230 kV voltage shall be generally used for supply of Customers with a peak demand of 20 MW or more.
- 1.1.3. Tapped transformers of Transmitters and Customers, excluding those that are deemed compliant under section 4.6 of the code, shall have adequate on-load tap-changer or other voltage-regulating facilities to operate continuously within normal variations on the transmission system as set out in the Market Rules and to operate in emergencies with a further transmission system voltage variation of $\pm \square$ six per cent ($\pm \square$ 6%).
- 1.1.4. ~~Transmitter approval is required before grounding the neutral of~~The neutrals of the power transformer primary windings at tapped transmission system stations~~are normally not grounded. Transmitters shall approve grounded transformers by exception only.~~
- 1.1.5. Customers shall participate in load shedding to meet reliability standards.
- 1.1.6. A transmission system breaker of a Customer shall not autoreclose without Transmitter approval.
- 1.1.7. A Customer shall not manually energize a Transmitter's line without the Transmitter approval.
- 1.1.8. To meet the minimum general requirements for all equipment connected to the transmission system, a Customer may have to install any necessary equipment, including, for example, capacitors and filters.

1.2. Protection Requirements

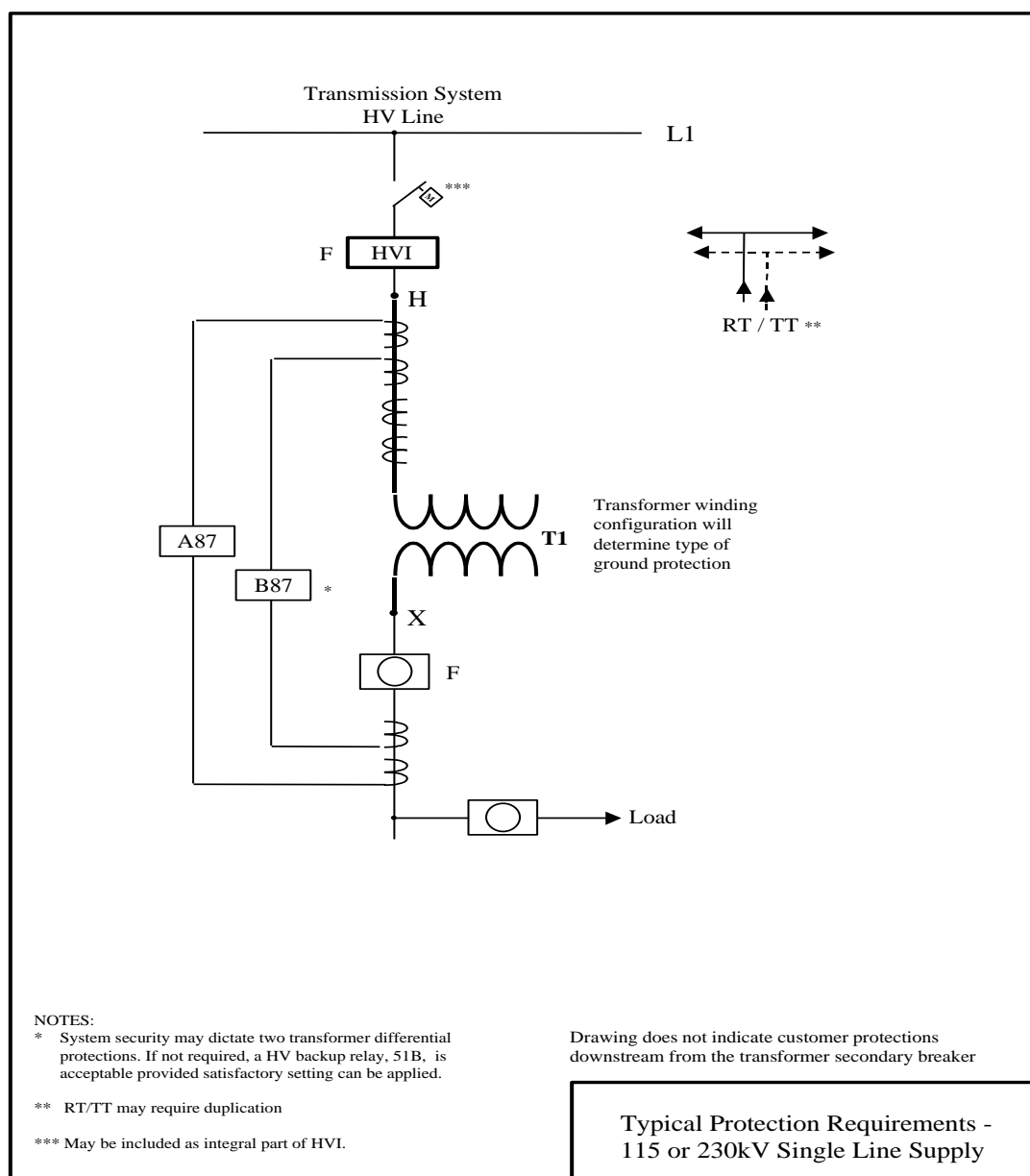
- 1.2.1. The typical technical requirements for Customer protection shall be followed, as presented in Exhibit E.1 of Schedule E and Exhibits F.~~1.1~~1.1 and F.~~2.1.2~~1.2 of this Schedule F.1.1.
- 1.2.2. Line protections are required when transformers connected to separate supply circuits are operated in parallel on the low-voltage side, or if a large synchronous infeed exists at the low-voltage bus.

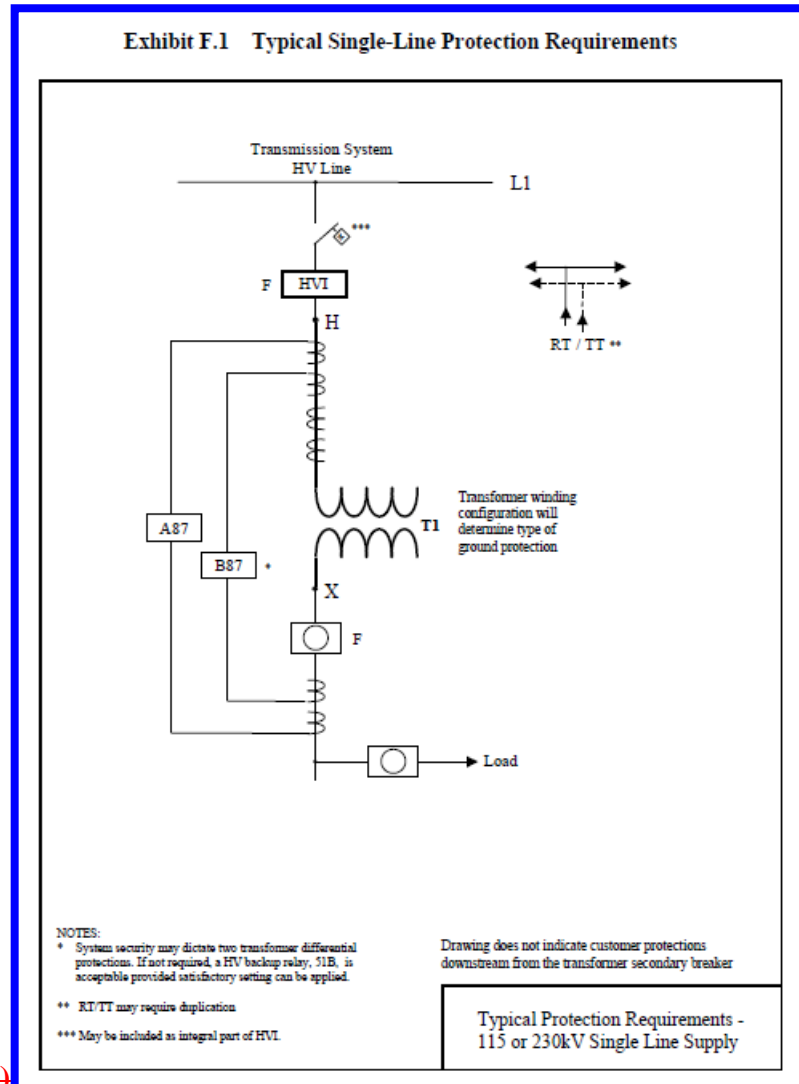
- 1.2.3. Directional current sensing relays may be required to detect infeed into faults within the transmission system and isolate the Customer's contribution to the fault. Distance or impedance (21) relays as specified in Exhibit F.2 of this Schedule F, 1, usually serve this need.
- 1.2.4. If the transformer is connected ungrounded wye or delta on the primary, then ground undervoltage (64-27) and ground overvoltage (64-59) protections as shown in Exhibit F.2 of this Schedule F, 1 are required to detect ground faults.
- 1.2.5. Where the Transmitter has accepted transformers connected wye-grounded on the primary (Yg/D or Yg/Yg), a ground-overcurrent relay (64) as indicated in Exhibit F, 21.2 of this Schedule F, 1, connected in the transformer neutral, may be used for detection.
- 1.2.6. Where remote/transfer trip circuits are used for transformer faults to trip the Transmitter's line breakers at the terminal stations, the Customer shall use a motor-operated transformer disconnect switch at its station to provide a point of separation from the transmission system. Energization of remote/transfer trip and opening of the disconnect switch (89) shall be initiated simultaneously from the protection circuits. Full opening of the disconnect switch shall block sending of remote ~~trip~~tripO.
- 1.2.7. For a DC remote trip on a 115-kV system, the Customer shall provide all necessary equipment associated with one monitored teleprotection channel between its station and one of the supply terminal stations or tapped stations. Industry standard relays and associated equipment that is compatible with the Transmitter's remote trip equipment shall be used. A 115-kV transfer trip shall have a similar requirement, except that audio-tone equipment shall be used instead of the DC battery voltage.
- 1.2.8. For a DC remote trip on a 230-kV system, the Customer shall provide all necessary equipment associated with two monitored teleprotection channels between its station and one of the supply terminal stations or tapped transformer stations. Normally two circuits in the same cable would be acceptable, but two separate cables going by and following separate routes may be required. The Customer shall use industry standard relays and associated equipment that is compatible with the Transmitter's remote trip equipment. A 230-kV transfer trip shall have a similar requirement, except that audio-tone equipment shall be used instead of the DC battery voltage.

~~SCHEDULE F (CONT'D)~~

~~Exhibit F.1—Typical Single-Line Protection Requirements~~

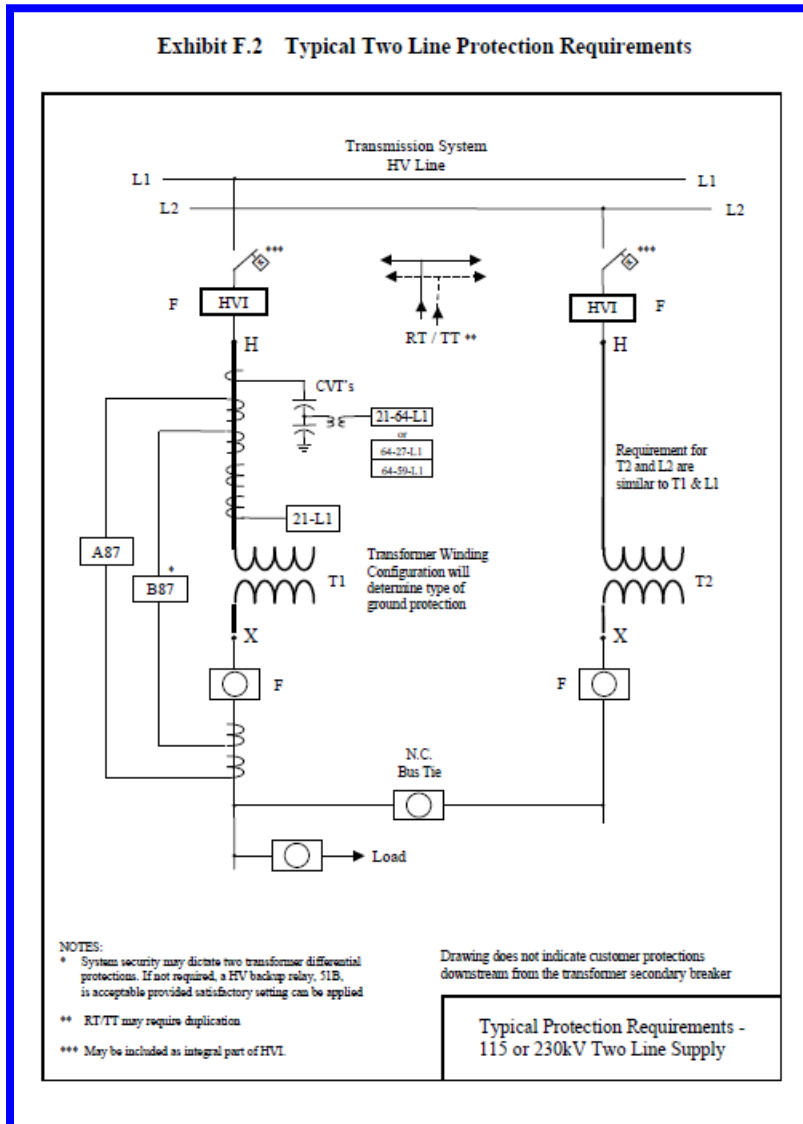
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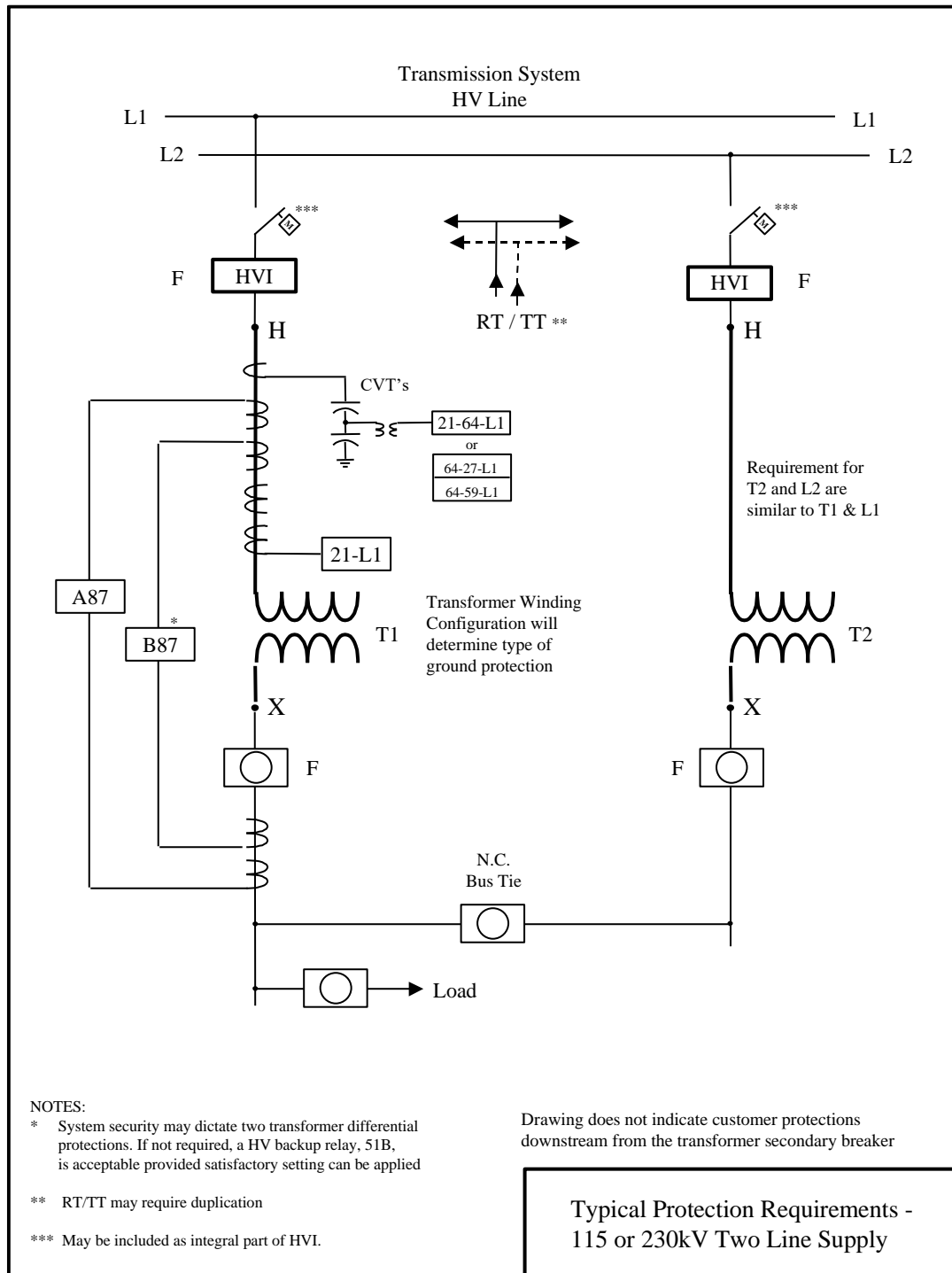


SCHEDULE F (CONT'D)

[Any reference to Exhibit F.1 above shall be deemed to be Exhibit F1.1](#)



Any reference to Exhibit F.2 —~~Typical Two Line Protection Requirements~~ shall be deemed to be Exhibit F1.2.



SCHEDULE G

PROTECTION SYSTEM REQUIREMENTS

- 1.1 Telecommunications
- 1.1.1 The telecommunication facilities, used for protection purposes, shall have a level of reliability consistent with the required performance of the protection system.
- 1.1.2. The Transmitters shall specify to ~~the Customer~~ all customers the telecommunication channel media and protective systems. These requirements apply to the facilities that interface between the Customer and the Transmitter.
- 1.1.3. Telecommunication circuits used for the protection and control of the transmission system shall be dedicated to that purpose.
- 1.1.4. Intentionally left blank.
- 1.1.5. Telecommunication systems shall be:
- 1.1.5.1. designed to prevent unwanted operations such as those caused by equipment or personnel;
 - 1.1.5.2. powered by the station's batteries or other sources independent from the power system; and
 - 1.1.5.3. monitored in order to assess equipment and channel readiness.
- 1.1.6. Major disturbances caused by telecommunication failures shall have annual frequency of less than 0.002 per year from the dependability aspect and less than 0.002 per year from the security aspect or as otherwise prescribed by the Transmitter.
- 1.1.7. Telecommunication protection for a single transmission system circuit shall ~~have an unavailability less~~ be unavailable for no more than forty two (42) minutes per year, and for two circuits ~~it shall be~~ no more than four (4) minutes per year or as otherwise prescribed by the Transmitter.
- 1.1.8. The telecommunication false-trip rate used as part of a protection system for a single transmission system circuit ~~shall be not~~ is no more than 0.1 false trips per year, and for two circuits ~~it shall be not~~ is no more than 0.001 false trips per year unless otherwise prescribed by the Transmitter.

- 1.1.9. Total transmission system circuit trips coincident with telecommunications failure ~~shall be~~are not more than 0.001 per year unless otherwise prescribed by the Transmitter.

1.2. Test Schedule for Relaying Communication Channels

- 1.2.1. Communication channels associated with protective relaying shall be tested at periodic intervals in accordance with applicable reliability standards to verify that the channels are operational and that their characteristics are within specific tolerances. Testing should include signal adequacy tests and channel performance tests. The ~~Transmitter~~transmitter shall establish testing intervals for any communication channels not otherwise subject to reliability standards.

1.3. Verification and Maintenance Practices

- 1.3.1. Customers shall perform routine verifications of protection systems on a scheduled basis in accordance with applicable reliability standards. The Customer shall establish verification intervals for any protection systems not otherwise covered by the requirements of a reliability organization. The reverification period for those ~~protections~~protection systems is to be entered in the agreement and initialed by the parties. ~~A~~The customer shall re-verify after a change is made to an existing protection system.
- 1.3.2. Intentionally left blank.
- 1.3.3. Intentionally left blank.
- 1.3.4. Customers shall ensure that the functional testing of protection and metering can be properly performed and that all verification readings are obtainable.
- 1.3.5. The Transmitter shall co-ordinate the initial verification upon receipt of the approved and final set of drawings. The initial verification shall be used during the final commissioning phase of the station and shall be used as a basis for future periodic verifications.
- 1.3.6. The Transmitter and the Customer shall consult on the functional test procedures. The tests shall not begin until the procedure is accepted by the Transmitter. If they cannot agree, the supply or continuity of supply shall depend on the performance of the tests that the Transmitter shall require.
- 1.3.7. Before the initial functional tests are performed, the Customer shall supply the Transmitter with written documentation that shall readily provide confirmation that appropriate verifications have been completed and that all calibrations, tests, etc., have been performed. For components that may affect the transmission system (such as relays, meters, etc.), the Customer must satisfy the Transmitter that the proper settings have been applied.

- 1.3.8. Customers shall make available to the Transmitter records of relay calibrations and protection verifications, so that records of the facility’s performance can be maintained. The specific records required shall be identified in this ~~Connection~~ Agreement.

1.4. Functional Tests and Periodic Verification

- 1.4.1. Upon verification that the Customer’s static tests on protection and control equipment, outlined in the Code and this Connection Agreement, have been satisfactorily completed, a series of tests shall be performed with the equipment in a dynamic mode. These tests shall ensure that the equipment performs correctly when it should and also that it will not operate improperly.
- 1.4.2. These tests are here described only in general terms, since the specific tests to be performed will differ depending on the particular station configuration, the components or equipment used, and the design philosophy of the circuitry.
- 1.4.3. For direct current (DC) circuitry checks, ~~at~~the Transmitter shall thoroughly check the logic of the Transmitter’s auxiliary circuitry and the Customer shall thoroughly check the Customer’s auxiliary circuitry with the DC applied and the initiating devices suitably energized to initiate the process. Operation or tripping of any interrupting or isolating devices shall always be verified, as well as local and/or remote annunciation.
- 1.4.4. “On potential” checks shall follow all necessary preliminary procedures. The main equipment shall be energized but not placed on load. The Customer shall check all readings of potentials, including determination of correct phasing/phase rotation. The test must also demonstrate that all equipment performs as expected when energized and is in condition to have primary load applied.
- 1.4.5. Customers shall make “On-Load” checks following the application of appropriate load, voltage, current, phase angle or crossed wattmeter readings at the appropriate instrument transformer outputs or protection input points, to ensure that all quantities are appearing as required with respect to magnitude, phase relation, etc. These checks are to determine that relays are properly connected and that the watt and var checks of all indicating and referenced equipment are correct. At times it may be necessary to repeat some or all tests, e.g., relay performance, using load currents.

1.5. Failure Protection for High-Voltage Interrupting Devices (HVIs)

- 1.5.1. Provisions shall be made to clear the fault in case the HVI fails to isolate the fault. The requirements for HVI failure protection vary depending on the maximum permissible fault duration and the location of the connection on the transmission system. Some portions of the transmission system are designed and operated to

more stringent requirements to avoid adversely affecting neighbouring transmission systems.

- 1.5.2. The HVI failure protection will initiate remote or transfer trip circuits and [the](#) opening of the motor-operated disconnection switch unless otherwise prescribed by the Transmitter.
- 1.5.3. In portions of the transmission system having less stringent requirements, the HVI failure protection may be achieved by opening the motor-operated disconnect switch. If the disconnect switch experiences a flashover, the line protection at the transmission station(s) shall operate to isolate the fault.
- 1.5.4. Automatic ground switches are not acceptable for any new installations for triggering line protection operation.
- 1.5.5. When circuit switchers are used, the interrupter and disconnect switch shall operate independently. Protections that trip the interrupter shall simultaneously initiate opening of the disconnect switch.
- 1.5.6. The DC voltage supplied to the interrupter and disconnect switch shall be fed from separately fused and monitored DC supplies: that is, by two (2) DC cables to the control cabinet.

1.6. Instrument Transformers

- 1.6.1. Current transformer output shall remain within acceptable limits for all anticipated fault currents and for all anticipated burdens connected to the current transformer.
- 1.6.2. Current transformers should be connected so that adjacent relay protection zones overlap. Where they do not overlap, the Transmitter may approve alternative mitigation at its discretion.
- 1.6.3. Voltage transformers and potential devices shall have adequate volt-ampere capacity to supply the connected burden while maintaining their accuracy over the specified primary voltage range.
- 1.6.4. For each independent protection system, separate current and voltage transformer or potential device secondary windings shall be used, except on low-voltage devices.
- 1.6.5. Interconnected current transformer secondary wiring and voltage transformer secondaries shall each be grounded at only a single point.

1.7. Battery Banks and Direct Current Supply

- 1.7.1. The Customer shall ensure that if either the battery charger fails or the AC supply source fails, the station battery bank shall have enough capacity to allow the station to operate for at least eight hours for a single battery system or at least six hours for each of the batteries in a two battery system.
- 1.7.2. Critical DC supplies such as relay protection circuits and high voltage interrupters ([HVI](#)) shall be monitored and alarmed.
- 1.7.3. For all ~~generating facilities~~[Storage Facilities](#) connected to the transmission system, two separately protected (fuse/breaker) and monitored DC station battery systems are required unless the Transmitter and the IESO determine otherwise.
- 1.7.4. For tapped transformer stations, one protected (fuse/breaker) monitored DC station battery system is required unless two systems are specified by the Transmitter.
- 1.7.5. Where two battery systems are required, there shall be a battery transfer scheme.
- 1.7.6. Where the use of a single battery system is allowed, the following conditions shall be met:
 - 1.7.6.1. it can be tested and maintained without removing it from service;
 - 1.7.6.2. each protection system shall be supplied from physically separated and separately fused direct current circuits; and
 - 1.7.6.3. no single contingency other than failure of the battery bank itself shall prevent successful tripping for a fault.

SCHEDULE H

FACILITIES DEEMED COMPLIANT AND OBLIGATION TO COMPLY

H.1. IDENTITY OF DEEMED COMPLIANT FACILITIES

H.1.1. The following Customer facilities are deemed compliant in accordance with section 4.6.1 of the Code:

All Customer facilities installed after May 1, 2002.

H.1.2. The following Transmitter's transmission facilities are deemed compliant in accordance with section 4.6.1 of the Code:

All Transmitter facilities identified in Schedule A of this Agreement.

H.2. COMING INTO COMPLIANCE

H.2.1. The Transmitter may, where the Board has approved its rules and procedures referred to in section 4.6.3 of the Code, require that some or all of the Customer's facilities to which section 4.6.1 of the Code applies be brought into actual compliance with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2. The Transmitter may impose this requirement in relation to such facilities whether or not they are identified in section H.1.1. The Transmitter may impose this requirement only:

- (a) in relation to that portion of the Customer's facilities in respect of which the Transmitter has made a determination referred to in section 4.6.2 of the Code; and
- (b) in accordance with the Transmitter's Board-approved rules and procedures referred to in section 4.6.3 of the Code.

H.2.2. The Customer shall, upon being required by the Transmitter to do so under section H.2.1, bring its facilities into actual compliance with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2, to the extent required by the Transmitter and in accordance with the rules and procedures referred to in section H.2.1(b). Responsibility for the costs of bringing such facilities into actual compliance shall be determined in accordance with the Transmitter's Board-approved rules and procedures referred to in section 4.6.3 of the Code.

H.2.3. Where Customer facilities are brought into actual compliance under section H.2.2, the Parties shall amend section H.1.1 as required.

H.2.4. Where the Transmitter's transmission facilities are brought into actual compliance, the Parties shall amend section H.1.2 as required.

SCHEDULE I

EXCHANGE OF INFORMATION

I.1. INFORMATION TO BE PROVIDED BY THE TRANSMITTER

~~I.1.1.~~ I.1.1. Subject to section I.1.2, the Transmitter shall, at the Customer’s request, provide the following information to the Customer provided that such information is available at the relevant time:

- (a) feeder amperes per phase;
- (b) bus voltage;
- (c) real and reactive power flow per feeder (where available; otherwise per bus level);
- (d) feeder breaker open/close status;
- (e) feeder breaker recloser blocked/not blocked status;
- (f) bus tie breaker open/close status;
- (g) capacitor bank breaker open/close status; and
- (h) transformer/bus breaker open/close status.

I.1.2. The Customer shall be entitled to the information referred to in section I.1.1 only to the extent that:

- (a) the information relates specifically to the connection of its own facilities;
- (b) the information is relevant to the connection of its own facilities; and
- (c) the Transmitter is not prohibited by its confidentiality obligations as set out in the Code or its licence from providing that information to the Customer.

I.1.3. The Transmitter shall provide the Customer with the following additional information:

- (a) at the Customer’s request, a “relay and breaker trip report” for any operation of a breaker or transfer trip relay and that includes the date

and time of the breaker or transfer trip operation and reclose or close, the cause of the incident if known and the quantity of load lost;

- (b) megawatt and megavar readings, excluding revenue-metered quantities; and
- (c) [any additional information items as determined by the Parties to be required based on site specific considerations]

I.1.4. A Transmitter may provide information under section I.1.1 or I.1.3 by means of posting the information on a website that is dedicated to the Customer.

I.2. INFORMATION TO BE PROVIDED BY THE CUSTOMER

I.2.1. To the extent that it has not already been provided to the Transmitter, the Customer shall provide the Transmitter with the same technical information provided to the IESO during any connection assessment and facility registration processes associated with the Customer's facilities or any new, modified or replacement Customer Facilities. Such information shall be provided in the form outlined in the applicable sections on the IESO's public website.

I.2.2. The Customer shall provide the Transmitter with updated versions of the technical information referred to in section I.2.1 in the event of a material change in such information.

I.2.3. The Customer shall provide the Transmitter with such information as the Transmitter may reasonably require in order to perform a Customer Impact Assessment.

I.2.4. To the extent that it has not already been provided to the Transmitter under another section of this Agreement or is not reasonably expected to already be known by the Transmitter, the Customer shall provide the Transmitter with the date and time at which the Customer's facilities are connected or reconnected to, or disconnected from, the Transmitter's transmission facilities.

I.2.5. The Customer shall notify the Transmitter in the event that its facilities are not being operated or maintained in accordance with the requirements of this Agreement.

I.2.6. The Customer shall provide the Transmitter with the following additional information:

- (a) the date and time at which any of the Customer's supply circuit breakers or high voltage interrupting switches automatically trips;

- (b) information pertaining to the operation of any of the Customer's automatic protective relays that has an impact on the Transmitter's transmission facilities;
- (c) changes in the Customer's operating setup or operating diagrams relative to the information contained in Schedule A or any updates or amendments thereto;
- (d) at the Transmitter's request, line and load data required for protective relay settings;
- (e) at the Transmitter's request, protective relay settings on equipment protection systems; and
- (f) at the Transmitter's request, annual facility performance data as may be required to enable the Transmitter to meet its reporting obligations to any reliability organization.

I.3. INFORMATION TO BE PROVIDED BY EITHER PARTY

I.3.1. Each Party shall provide the other with the following information:

- (a) any temporary or permanent changes in the configuration of the Party's facilities that may affect the security of those facilities, load distribution, protective relay settings or other parameters;
- (b) details of defective equipment or hazardous conditions that may become known to the Party's Controlling Authority but not to the Controlling Authority of the other Party;
- (c) planned changes in the Party's facilities that affect the operation of those facilities; and
- (d) such other information as the other Party may reasonably require for the purpose of fulfilling its obligations under this Agreement.

I.3.2. Where applicable, the Parties shall amend Schedule A to reflect any information provided by a Party to the other under this Schedule.

[SCHEDULE I - ATTACHMENT E FOLLOWS]

SCHEDULE I - ATTACHMENT E
Facility Registration Equipment Information and Load Data
Utilization of Hydro One Networks Inc. Assumptions and Missing Customer Data in
Schedule I - Attachment E

The Customer shall provide the Transmitter with all outstanding, missing or revised required data designated "R" for Schedule "I" - Attachment E

The Parties acknowledge and agree that if the Transmitter has assisted the Customer in any way in producing or generating, in whole or in part, the Customer Connection Information set out in Schedule "I", Attachment E by the provision or utilization of any assumptions (the "Assumptions") or in any other manner, the Transmitter has done so upon the instruction and direction of the Customer. The Customer assumes all responsibility and liability for the truth, accuracy and veracity of the Customer Connection Information, despite the provision of the Assumptions or any other information utilized by the Transmitter in the absence of supplied data, and the Customer releases, indemnifies and saves harmless the Transmitter from and against any and all damages, losses, costs, or expenses (the "Claims") arising in connection therewith or in relation thereto.

PART A: Generic Information

[This Information is for use by both the Transmitter and the IESO]

<u>Submission Date</u>		
<u>Identification</u>	<u>Market participant identifier</u> <u>Facility identifier</u>	
<u>Service</u>	<u>Initial in-service:</u>	
<u>Dates</u>	<u>Permanent in-service:</u> <u>Permanent out-of-service:</u>	
<u>** Protection System Description</u> <u>(for Transmitters only)</u>	A functional description of all protective systems shall be provided to allow a detailed analysis of all credible contingencies. These descriptions shall include, but are not limited to, the following: <ul style="list-style-type: none"> ● <u>Operating times for protection components (e.g. primary relaying, auxiliary relaying, communication).</u> ● <u>General models for normal and delayed (breaker failure) fault clearing, and</u> ● <u>Exceptions to the general model (e.g. LEO, HIROP).</u> For all recognized contingencies, the functional description must enable fault clearing times at all terminals to be determined for both normal and delayed clearing. This Information is required from Generators and connected wholesale Customers only upon request.	<u>See Schedule A</u>
<u>Parameters and practices for thermal limit calculations</u>	Equipment parameters to enable continuous and limited time ratings to be calculated under prevailing and predicted conditions. All practices that could have a bearing on equipment operation shall be reported. These include but are not (AMPCO) limited to the following: <ul style="list-style-type: none"> ● <u>ferrous or non-ferrous connectors</u> ● <u>bolted or not-bolted connections</u> ● <u>indoor or outdoor locations</u> 	<u>Schedule I, Attachment E, Part F - Equipment Forms</u>
<u>Relay Information</u>	<u>Settings and characteristics to enable relay margin analysis of credible contingencies:</u>	<u>See Schedule A</u>
<u>Detailed Single-Line</u>	<u>A detailed single-line diagram showing equipment and protection and telemetry points</u>	<u>Refer to Part F – Submission Index</u>
<u>Test Results</u>	<u>Copies of all commission tests to all power system components</u>	<u>To be completed later.</u>

****Refer to Schedule I, Attachment E, Part F "Other Data the Customer Must Submit to Transmitter" (Hydro One Networks P&C review of customer TS.)**

Notes:

- (1) The Information collected in this Attachment has been taken from the previously executed connection agreement if applicable and IESO's Facility Registration Documentation.

Schedule "D" to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 04-2021]

- (2) All Customers are to complete the relevant portions of the following appendices to describe their facilities. Customers also shall provide nameplate data for equipment directly connected to the transmission system upon request.
- (3) Impact Information requirements are intended to describe facilities in enough detail to allow a Connection Agreement to be executed.
- (4) Connection Information requirements are intended to describe facilities in enough detail to allow them to be placed in service.

PART B: Information Concerning Storage Facilities

[This Information is for use by both the Transmitter and the IESO]

Applicable to this Customer's Connection

Unit Data	Identifier				
	Manufacturer				
	Serial Numbers				
	Type (e.g. salient pole, round rotor, induction)				
	Frequency (Hz)				
	NERC Unit type (e.g. Candu, Steam Turbine, Hydraulic Turbine, Wind Turbine)				
	NERC Status				
	NERC Cooling Water Source				
	NERC Fuel Type (primary, alternate)				
	NERC Fuel Transportation (primary, alternate)				
	NERC Capacity (summer, winter)				
	NERC Primary fuel heat rate at full load (BTU/kWhr)				
	Rated capability (MVA)				
	Rated voltage (kV)				
	Power Factor				
	Total rotational inertia of Generator and turbine (s)				
	Unsaturated reactances in pu on machine base				
	Xd NR X'd NR Xq Missing (H) X'q NR X1NR X2 NR X0 NR				
	Open circuit time constraints NR				
	T'do T"do T'qo T"qo X0				
	Speed (RPM)				
	Station load (MW, Mvar)				
	Minimum power (MW)				
	Normal loading and unloading ramp rates (MW/min)				
	Emergency loading and unloading ramp rates (MW/min)				
	Armature (Ra) and field resistance (Rfd*) (Ω)				
	Saturation at rated voltage (S1.0) and 20% above (S1.2)				
	Rotational inertia for Generator without turbine (s) (required only upon request)				
	Damping				
	Base field current (A)				
	Base field voltage (volts)				
	Losses at 1.0 and 0.9 power factor (MW)				
	Characteristics	Open circuit saturation curve			
		Short circuit curve			
		V curves			
Capability curve					

*Field resistance for hydraulic units should be specified at 75°C and at 100°C for thermal units.

EXCITATION SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in-service parameter values for the exciter. Models for stabilizers, under-excitation limiters, and over-excitation limiters shall be provided where applicable.

For each unit 10 MVA or larger

GOVERNOR AND PRIME MOVER SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in service parameters values for the governor and prime mover (turbine). More detailed models would be required if off-nominal frequency or shaft torsional studies are required.

For each unit 10 MVA or larger

Legend:

R = Required

Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 04-2021]

H = Assume

S = Missing

NR = Not required

Schedule "D" to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 04-2021]

Part C: Impact Information Concerning Consumer and Distributor Facilities

Nature of Load	<u>Composition (e.g. % industrial, % commercial, %residential)</u>			
	<u>Requirement for dual supply</u>			
	<u>Description of unusual sensitivity to voltage or frequency fluctuations</u>			
	<u>Description of unusual consequences of power outages</u>			
Power Quality (upon special request)	<u>Harmonics (frequency, magnitude)</u>			
	<u>Flicker (voltage change %, frequency Hz)</u>			
	<u>Phase Imbalance (%)</u>			
	<u>Variable Speed Drives</u>	<u>Demand (kVA)</u>		
	<u>Welding Equipment</u>	<u>Demand (kVA)</u>		
	<u>Static Converters</u>	<u>Demand (kVA)</u>		
	<u>Furnace</u>	<u>Demand (kVA)</u>		
	<u>Other discontinuous or harmonic rich load</u>	<u>Demand (kVA)</u>		
	<u>Capacitors</u>	<u>Demand (kVA)</u>		
	<u>Generators</u>	<u>Total Size (kVA)</u>		
Existing Motors (> 2000 HP) New Motors (> 500 HP)	<u>Type (e.g. squirrel cage, wound rotor, synchronous)</u>			
	<u>Rated capability (MVA)</u>			
	<u>Rated power factor</u>			
	<u>Starting method (e.g. full-voltage, resistive, reduced voltage, delta-wye)</u>			
	<u>Starts per day</u>			

Connection

<u>Load Shape</u> <u>Generator not</u> <u>Running, acts as load</u>	<u>Hours</u>	<u>November to April (Winter) Maximum Demand</u>				<u>May to October (Summer) Maximum Demand</u>			
		<u>Weekday</u>		<u>Weekend</u>		<u>Weekday</u>		<u>Weekend</u>	
		<u>MW</u>	<u>Mvar</u>	<u>MW</u>	<u>Mvar</u>	<u>MW</u>	<u>Mvar</u>	<u>MW</u>	<u>Mvar</u>
<u>Plus starting motor</u> <u>Load, see curve</u>	0-4								
	4-8								
	8-12								
	12-16								
	16-20								
	20-24								
<u>Induction Motors</u> (> 25,000 HP and >500 HP per request)	<u>Identifier</u>								
	<u>Rated capability (MVA or HP)</u>								
	<u>Rated power factor</u>								
	<u>Rated torque (per unit on machine base)</u>								
	<u>Rated slip (per unit on machine base)</u>								
	<u>Starting torque (per unit on machine base)</u>								
	<u>Starting current (per unit on machine base)</u>								
	<u>Starting power factor</u>								
<u>Synchronous Motors</u> (> 2,000 HP and >500 HP per request) ≤ 2000 HP ≥ 2000 HP ≥ 2000 HP ≥ 2000 HP ≥ 2000 HP	<u>Identifier</u>								
	<u>Rated output (MVA or HP)</u>								
	<u>X''d (unsaturated subtransient reactance in per unit on machine base)</u>								
	<u>Rotational inertia constant H of motor and load (s)</u>								
	<u>Unsaturated reactances (per unit on machine base)</u>								
	<u>Xd</u>	<u>X'd</u>	<u>X''d</u>	<u>Xq</u>	<u>X'q</u>	<u>X''q</u>	<u>Xl</u>	<u>X2</u>	<u>X0</u>
	<u>Open circuit time constants (s)</u>				<u>T'do</u>	<u>T''do</u>	<u>T'qo</u>	<u>T''qo</u>	
	<u>Armature resistance (Ra) (per unit on machine base)</u>								

EXCITATION SYSTEM MODEL

<u>A block diagram suitable for stability studies or an IEEE standard model type with all in-service parameter values for the exciter. Models for stabilizers, under-excitation limiters, and over-excitation limiters shall be provided where</u>	
--	--

Schedule "D" to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 04-2021]

applicable. For each synchronous motor 10 MVA or larger

PART F: Other Data that the Customer must Submit to Transmitter.

1) Customer Protection and Control Information

<u>Equipment Registry Information</u>	<u>NS – TS- P&C</u>
<u>1. Operating diagram with ownership markings</u>	<u>√</u>
<u>2. Single line diagram included, showing all protections (3- wire diagram acceptable)</u>	
<u>3. Power transformer nameplate data</u>	
<u>4. Relay settings & verification tests (Schedule I, Attachment E, Part A Generic Info).</u>	
<u>5. HV equipment operating & protection philosophy that are impactive on the Transmitter's transmission system</u>	
<u>6. Tripping Matrix (statements) for protections that are impactive on the Transmitter's transmission system</u>	

Notes: Documents Submitted by Customer

CGS Submission Package Index

	<u>Drawing No. and Sheet No.</u>	<u>Rev.</u>	<u>Description</u>
<u>1</u>		<u>A</u>	<u>Meter Service Provider Single Line Diagram</u>
<u>2</u>			
<u>3</u>			
<u>4</u>			
<u>5</u>			
<u>6</u>			
<u>7</u>			

SCHEDULE J
CONTACTS FOR PURPOSES OF NOTICE

Customer:_____

Transmitter:_____ Hydro One Networks Inc.

_____ Key Account Management

_____ 483 Bay Street, TCT13

_____ Toronto, Ontario M5G 2P5

_____ Attention:

_____ Tel:

_____ e-mail:

SCHEDULE K **SPECIAL PROVISIONS**

K.1. LIABILITY

K.1.1. Despite section 15.1.2 but subject to sections K.1.2 and K.1.3, where the Customer uses the Transmitter's breakers as HV interruption devices or for the purpose of synchronizing the Customer's facilities to the Transmitter's transmission system, the Transmitter shall not be liable to the Customer for any damage arising out of such use, even where such damage is arises out of the negligence or willful misconduct of the Transmitter.

K.1.2. Subject to section K.1.4, where damage occurs to the Customer's main output transformer ("MOT") due to the negligence or wilful misconduct of the Transmitter, the Transmitter shall be liable to the Customer in an amount equal to:

- (a) the cost of repairing the MOT; or
- (b) the cost replacing the MOT,

whichever is the lower.

K.1.3. Subject to section K.1.4, where damage occurs to the Customer's electrical equipment upstream of the Customer's MOT but within the powerhouse due to the negligence or wilful misconduct of the Transmitter, the Transmitter shall be liable to the Customer in an amount equal to 45% of the Customer's Party Losses associated with such damage.

K.1.4. In no event shall the Transmitter be liable to the Customer under section K.1.2 or K.1.3 in an amount greater than \$25 million for any event of negligence or wilful misconduct by the Transmitter. The Parties agree that this limitation of liability applies whether the damage suffered by the Customer is covered under section K.1.2, section K.1.3 or both.

K.1.5. This section K.1 shall cease to apply in relation to any Party Losses suffered by the Customer that arise out of the negligence or wilful misconduct of the Transmitter on or after the date on which the Customer ceases to use the Transmitter's breakers as HV interruption devices or for the purposes of synchronizing the Customer's facilities to the Transmitter's transmission system.

K.2. CUSTOMER-OWNED BREAKERS

K.2.1. Within five years of the date of coming into force of this Agreement, the Parties shall conduct and complete studies concerning the installation by the Customer of its own breakers for HV interruption and for the purposes of synchronizing the Customer's facilities to the Transmitter's transmission system. The Parties shall then determine

whether the installation of additional breakers by the Customer is warranted, and shall advise the Board of such determination.

K.2.2. Responsibility for any incremental costs incurred by the Transmitter as a result of the Customer not having its own breakers for HV interruption or for the purposes of synchronizing the Customer's facilities to the Transmitter's transmission system shall be determined by the Board.

SCHEDULE L
APPLICATION OF TRANSMISSION RATE SCHEDULE

<u>Tariff Delivery Point</u>	<u>Transmission Connection Point Number</u>	<u>Transmission Connection Point</u>	<u>Network Pool Charge</u>	<u>Transformation Connection Pool Charge</u>	<u>Line Connection Pool Charge</u>

SCHEDULE M

EMBEDDED GENERATION, BYPASS, ASSIGNED CAPACITY AND TRUE-UPS

JM.1 EMBEDDED GENERATION

- JM.1.1** The Transmitter shall, for all purposes, treat a generation facility as embedded generation in relation to the Customer as required by section 11.1.1 or 11.1.2 of the Code.
- JM.1.2** The Transmitter shall not, for any purposes, treat a generation facility as embedded generation in relation to the Customer as required by section 11.1.3 or 11.1.4 of the Code.
- JM.1.3** The reference to "for all purposes" in section **JM.1.1** and to "for any purposes" in section **JM.1.2** includes the purpose of determining whether bypass compensation is required to be paid by the Customer and the purpose of determining the manner in which network charges will be applied.

JM.2 BYPASS

- JM.2.1** Where the Customer disconnects its facilities from the Transmitter's connection facilities in the circumstances described in section 11.2.1 of the Code, the Customer shall pay bypass compensation to the Transmitter, determined in accordance with section 11.2.1 of the Code.
- JM.2.2** The Customer may:
- (a) disconnect its facilities from the Transmitter's connection facilities for the purpose of subsequently connecting its facilities to its own connection facilities or to connection facilities owned by a person other than the Transmitter; or
 - (b) transfer load from the Transmitter's connection facilities to its own connection facilities or to connection facilities owned by a person other than the Transmitter.

In such a case and unless section **JM.2.3** or section 6.7.8 of the Code applies, the Customer shall pay bypass compensation to the Transmitter, determined in accordance with section 6.7.7 of the Code.

- JM.2.3** The Customer shall not be required to pay bypass compensation under section **JM.2.2** in relation to any load that is transferred by the Customer to its own connection facilities or to connection facilities owned by a person other than the Transmitter that:
- (a) would, if it remained on the Transmitter's connection facilities, overload those facilities beyond their normal supply capacity as determined in accordance with the Board-approved procedure referred to in section 6.2.7 of the Code or, in the absence of such Board-approved procedure, in accordance with section 6.1.8 of the Code; or
 - (b) is new load, determined in accordance with section 3.0.3 of the Code.

JM.2.4. Notwithstanding any other provision of this Schedule **JM**, in no event shall the Transmitter require the Customer to pay any bypass compensation for any reduction in the Customer's load served by the Transmitter's connection facilities that the Customer has demonstrated to the reasonable satisfaction of the Transmitter (such as by means of an energy study or audit) has resulted from embedded renewable generation (determined in accordance with section 11.1 of the Code), energy conservation, energy efficiency or load management.

JM.2.5. The Customer shall give the Transmitter no less than one years¹² notice of the Customer's intention to bypass the connection facilities of the Transmitter.

JM.3. LOAD FORECAST AND CHANGES IN LOAD

JM.3.1. Where an economic evaluation was conducted in relation to the connection of the Customer's facilities, the following shall be set out in Attachment **JM1**:

- (a) the load forecast provided by the Customer that was used for the purposes of that economic evaluation; and
- (b) the Customer's load shape provided by the Customer, in such detail as to enable the Transmitter to appropriately assess the Customer's system requirements.

JM.3.2. The Customer shall, no later than October 1st of each year, notify the Transmitter of any anticipated material increase or decrease in:

- (a) the Customer's load in relation to each connection point during the following year; and
- (b) the Customer's summer peak demand or winter peak demand for each Delivery Point (as defined in Schedule B).

This obligation applies regardless of whether section **JM.3.1** applies in respect of the Customer. Where this section applies by virtue of the application of section 3.0.7 of the Code, the Customer shall not be required to comply with this obligation until October 1st of the calendar year that commences after the Code revision date.

JM.3.3. Where the Customer provides a load forecast for any purpose under this Agreement, the Customer shall ensure that the load forecast is as accurate as possible and reflects, where applicable, reductions in load that are reasonably expected to result from embedded renewable generation (determined in accordance with section 11.1 of the Code), energy conservation, energy efficiency or load management.

JM.4. ASSIGNED CAPACITY

JM.4.1. The Customer's assigned capacity on each applicable connection facility shall be determined in accordance with section 6.2.2 of the Code and shall be recorded by the Parties in Attachment **JM2**. The Parties shall update that table from time to time as may be required, and may do so by having the Transmitter post updated versions of the table on a website dedicated to the Customer.

- [JM](#).4.2. The Customer's contracted capacity on each applicable connection facility shall be determined in accordance with section 6.2.3 of the Code.
- [JM](#).4.3. Where, after the date of coming into force of this Agreement, the Customer requires capacity on the Transmitter's connection facility to serve load that is new load as determined in accordance with section 3.0.3 of the Code, it shall so notify the Transmitter. Provided that there is available capacity on the applicable connection facility and subject to section [JM](#).4.4, the Transmitter shall assign the required capacity to the Customer.
- [JM](#).4.4. Where the Customer's request for additional capacity on the Transmitter's connection facility under section [JM](#).4.3 triggers the implementation of the Transmitter's Board-approved available capacity procedure referred to in section 6.2.11 of the Code, any assignment of available capacity to the Customer shall be determined in accordance with that procedure or, in the absence of such Board-approved procedure, in accordance with section 6.1.8 of the Code.
- [JM](#).4.5. Subject to section [JM](#).4.6, where the Transmitter has assigned capacity on a connection facility to the Customer under section [JM](#).4.3 and the Customer has not taken up that additional capacity within one year of the assignment, the Transmitter shall cancel that assignment.
- [JM](#).4.6. Where the circumstances warrant, the Customer may request an extension of the one-year period referred to in section [JM](#).4.5, and the Transmitter shall not unreasonably deny such request. Any dispute arising between the Parties in relation to the extension of such one-year period shall be submitted to the Board for resolution.
- [JM](#).4.7. Capacity on a connection facility that has been assigned to the Customer shall not be reassigned:
- (a) by the Transmitter without the consent of the Customer except in accordance with the Code; or
 - (b) by the Customer except in connection with a change in ownership of the Customer's facilities.
- The Transmitter shall, at the request of the Customer, reassign the Customer's assigned capacity on a connection facility to reflect a change in ownership of the Customer's facilities.
- [JM](#).4.8. Capacity on a connection facility that has been assigned to the Customer shall not be cancelled by the Transmitter without the consent of the Customer except in accordance with section [JM](#).4.5.

~~J~~M.4.9. The Customer shall provide such information and assistance as the Transmitter may reasonably require in relation to the conduct by the Transmitter of an expansion study under section 6.2.14 of the Code.

~~J.5. — True-ups~~ M.5. TRUE-UPS

~~J~~M.5.1. The Transmitter shall carry out true-up calculations in accordance with section 6.5 of the Code.

~~J~~M.5.2. For the purposes of enabling the Transmitter to carry out a true-up calculation referred to in section ~~J~~M.5.1, the Customer shall provide the Transmitter with an updated load forecast. The Parties shall amend Attachment J1 to reflect that updated load forecast.

~~J~~M.5.3. Where the Customer voluntarily and permanently disconnects any facilities from the Transmitter's facilities prior to the last applicable true-up point determined in accordance with section 6.5.3 of the Code, the transmitter shall at the time of disconnection carry out a final true-up calculation as required by section 6.5.11 of the Code.

~~J~~M.5.4. Where the Transmitter has carried out a true-up calculation under section ~~J~~M.5.1 or ~~J~~M.5.3:

- (a) the Customer shall make a payment to the Transmitter where the results of the true-up calculation so require as set out in section 6.5.6 or 6.5.11 of the Code; or
- (b) the Transmitter shall credit or rebate an amount to the Customer where the results of the true-up calculation so require as set out in section 6.5.7 or 6.5.11 of the Code.

Attachment JM1
Customer's Load Forecast and Load Shape
(as required by section JM.3.1 of Schedule JM)

[To be completed by the Parties]

Attachment JM2
Customer's Assigned Capacity
(as required by section JM.4.1 of Schedule JM)

~~J2.1.1. The Parties shall record the Customer's assigned capacity from time to time as required using the following table or using such other table as the Parties may agree.~~

Tariff Delivery Point	Supply Voltage (kV)	Tx Connection Point Number	Tx Connection Point	Customer=s Assigned Capacity (MW)	Effective Assignment Date	Requested Change in Capacity (MW)	Reservation Dates

SCHEDULE N

MISCELLANEOUS

Notes:

ⁱ Schedule F is the form of Schedule F from Version B (Generation TCA). Schedule F.1 is the usual Schedule F in Version A (Load TCA).

ⁱⁱ Schedule J is the “Contacts for the Purpose of Notice” under Version B (Generation TCA). What would normally appear in Schedule J is in Schedule M of the form of TCA for Storage Providers

ⁱⁱⁱ A.8 is the Re-Verification Schedules – Protection and Control (Sample Only) which normally appears in Version A as A.9. A.8 of Version B TCA and A.9 of Version A TCA are identical in content.

^{iv} A.9 is General Protections (Sample Only) which appears as A.9 in Version B TCA and A.10 in Version A TCA -content is identical

^v A.10 is Telecommunication Facility Details for Protection and Control Applications (Sample Only) which appears as A.10 in Version B TCA and A.11 in Version A TCA - content is identical

^{vi} A11 is normally A.8 in Version A of the TCA. The titles of A11 and A.11.1 mixed up – A.11 should be “Rotational Load Shedding” and A11.1 should be “Scope”

^{vii} Incorrect reference to Schedule “O”. Should refer to Schedule M.

^{viii} B.6 is normally B.7 in Version A of the TCA and B.6 in the Version B TCA - content is identical

^{ix} B.7 is normally B.9 in Version A of the TCA and B.7 in the Version B TCA - content is identical

^x B.8 is normally B.6 in Version A of the TCA. There is no equivalent in the Version B TCA

^{xi} This is actually Schedule F from Version B. Schedule F.1 is the Schedule F from Version A

TRANSMISSION CONNECTION AGREEMENT

Between

INSERT FULL LEGAL NAME OF STORAGE PROVIDER

And

HYDRO ONE NETWORKS INC.

**TRANSMISSION CONNECTION AGREEMENT
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- 22. TRANSMISSION SERVICE AND TRANSMISSION SERVICE CHARGES
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- 24. FACILITY STANDARDS
- 25. ADDITIONAL TECHNICAL REQUIREMENTS
- 26. OPERATIONAL STANDARDS AND REPORTING
- 27. OPERATIONS AND MAINTENANCE
 - 27.1. Work on Site of Other Party
 - 27.2. General
 - 27.3. Controlling Authorities
 - 27.4. Communication Between the Parties
 - 27.5. Switching
 - 27.6. Isolation of Facilities at Customer’s Request

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- 27.7. Isolation of Facilities at Transmitter’s Request
 - 27.8. Alternative Method of Isolation
 - 27.9. Forced Outages
 - 27.10. Planned Work
 - 27.11. Shutdown of Customer’s Facilities
 - 27.12. Emergency Operations
 - 27.13. Access to and Security of Facilities
28. INSPECTION, TESTING, MONITORING AND NEW, MODIFIED OR REPLACEMENT CUSTOMER FACILITIES
- 28.1. General Requirements
 - 28.2. New, Modified or Replacement Customer Facilities
- SCHEDULE A: SINGLE LINE DIAGRAM, DESCRIPTION OF THE CUSTOMER’S CONNECTION POINT(S) AND DETAILS OF SPECIFIC OPERATIONS
- SCHEDULE B: TRANSMISSION SERVICES AND ASSOCIATED CHARGES
- SCHEDULE C: CURE PERIODS FOR DEFAULTS
- SCHEDULE D: FAULT LEVELS AND MODIFICATIONS REQUIRING APPROVAL BY THE TRANSMITTER
- SCHEDULE E: GENERAL TECHNICAL REQUIREMENTS
- SCHEDULE F: ADDITIONAL TECHNICAL REQUIREMENTS
- SCHEDULE F.1: ADDITIONAL TECHNICAL REQUIREMENTS FOR TAPPED TRANSFORMER STATIONS SUPPLYING LOAD**
- SCHEDULE G: PROTECTION SYSTEM REQUIREMENTS
- SCHEDULE H: FACILITIES DEEMED COMPLIANT AND OBLIGATION TO COMPLY
- SCHEDULE I: EXCHANGE OF INFORMATION
- ATTACHMENT E - FACILITY REGISTRATION DATA AND LOAD DATA
- SCHEDULE J: CONTACTS FOR PURPOSES OF NOTICE
- SCHEDULE K: SPECIAL PROVISIONS
- SCHEDULE L: APPLICATION OF TRANSMISSION RATE SCHEDULE
- SCHEDULE M: **EMBEDDED GENERATION, BYPASS, ASSIGNED CAPACITY AND TRUE-UPS**
- Attachment M1
 - Attachment M2¹
- SCHEDULE N: MISCELLANEOUS

¹ This is a new name for the Schedule J that exists in the form of Connection Agreement for Load Customers.

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TRANSMISSION CONNECTION AGREEMENT

This Connection Agreement is made this _____ day of _____ 202____,

BETWEEN

HYDRO ONE NETWORKS INC., a [corporation duly incorporated under the laws of Ontario (the “**Transmitter**”)

AND

INSERT FULL LEGAL NAME OF STORAGE PROVIDER (the “**Customer**”)

(each a “Party” and collectively the “Parties”)

RECITALS

WHEREAS the Customer has connected or wishes to connect its facilities to the Transmitter’s transmission system.

AND WHEREAS the Transmitter has connected or has agreed to connect the Customer’s facilities to its transmission system.

AND WHEREAS in accordance with its licence and the Market Rules, the Transmitter has agreed to offer, and the Customer has agreed to accept, transmission service in relation to the Customer’s facilities.

NOW THEREFORE in consideration of the foregoing, and of the mutual covenants, agreements, terms and conditions herein contained, the Parties, intending to be legally bound, hereby agree as follows:

PART ONE

GENERAL

1. DEFINITIONS

1.1 In this Agreement, unless the context otherwise requires:

1.1.1 “Agreement” means this connection agreement and all of the Schedules;

1.1.2. “Code” means the Transmission System Code issued by the Board and in effect at the relevant time;

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- 1.1.3. “Confidential Information” in respect of a Party means (a) information disclosed by that Party to the other Party under this Agreement that is in its nature confidential, proprietary or commercially sensitive and (b) information derived from the information referred to in (a), but excludes information described in section 21.1;
- 1.1.4. “Controlling Authority” in respect of a Party means the person appointed by that Party as responsible for performing, directing or authorizing changes in the condition or physical position of electrical apparatus or devices;
- 1.1.5. “Cure Period” means the period of time given to a Defaulting Party for the purposes of remedying an Event of Default, determined in accordance with section 19.2.1;
- 1.1.6. “Default Notice” has the meaning given to it in section 19.1.1;
- 1.1.7. “Defaulting Party” means a Party in relation to whom an Event of Default has occurred or is occurring;
- 1.1.8. “End of Cure Period Notice” has the meaning given to it in section 19.2.3;
- 1.1.9. “Event of Default” means a Financial Default or a Non-financial Default;
- 1.1.10. “Export Transmission Service” has the meaning given to it in the Transmitter’s Rate Order;
- 1.1.11. “Financial Default” in respect of a Party means a failure by that Party to pay an amount to the other Party when due under this Agreement, including failure to pay compensation or indemnification for loss or damage agreed to by the Parties or for amounts determined to be owed to a Party as a result of the settlement or resolution of a dispute arising under this Agreement;
- 1.1.12. “Force Majeure Event” in respect of a Party means any event or circumstance, or combination of events or circumstances: (a) that is beyond the reasonable control of that Party; (b) that adversely affects the performance by the Party of its obligations under this Agreement; and (c) the adverse effects of which could not have been foreseen and prevented, overcome, remedied or mitigated in whole or in part by the Party through the exercise of due diligence and reasonable care, provided however that the lack, insufficiency or non-availability of funds shall not constitute a Force Majeure Event;
- 1.1.13. “Insolvency/Dissolution Event” in respect of a Party, means any of the following:
- (a) in the case of a voluntary insolvency/dissolution, if the Party shall (i) apply for or consent to the appointment of a receiver, receiver/manager, interim receiver, trustee, administrator, or liquidator (or person having a similar or analogous function under the laws of any jurisdiction) of itself or of all or a substantial part of its assets; (ii) be unable, or state or admit in writing its inability or failure, to pay its debts generally as they become due; (iii) make a general assignment for

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the benefit of its creditors, or make or threaten to make a sale in bulk of all or a substantial part of its assets; (iv) commit an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or under any existing or future law relating to bankruptcy and insolvency; (v) commence any proceeding or other action under any existing or future law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, moratorium, winding up, liquidation, dissolution, composition, compromise or other relief with respect to it or its debts or an arrangement with creditors, or file an answer admitting the material allegations filed against it in any bankruptcy, insolvency, or reorganization proceeding; or (vi) take any corporate action for the purpose of effecting any of (i) to (v);

- (b) in the case of an involuntary insolvency/dissolution, if any proceeding or other action shall be instituted in any court of competent jurisdiction seeking in respect of the Party or of all or a substantial part of its assets (i) an adjudication in bankruptcy or for reorganization, dissolution, winding up or liquidation; (ii) a composition, compromise, arrangement or moratorium with its creditors, or other relief with respect to it or its debts; (iii) the appointment of a trustee, receiver, receiver/manager, interim receiver, administrator or liquidator (or person having a similar or analogous function under the laws of any jurisdiction); or (iv) any other similar relief under any existing or future law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (c) an application is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Party, except as part of a bona fide corporate reorganization; or
- (d) the Party is wound up or dissolved, except as part of a bona fide corporate reorganization, unless the notice of winding up or dissolution is discharged;

1.1.14. “Lender” in respect of a Customer means a bank or other entity whose principal business is that of a financial institution and that is financing or refinancing the Customer’s facilities;

1.1.15. “Non-defaulting Party” means a Party that is not experiencing an Event of Default;

1.1.16. “Non-financial Default” in respect of a Party means any of the following:

- (a) any breach of this Agreement by that Party, other than a breach that constitutes a Financial Default;
- (b) the licence (if any) of the Party is suspended, withdrawn or revoked or expires without being replaced; or
- (c) an Insolvency/Dissolution Event occurs in relation to the Party;

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- 1.1.17. “Party Losses” means any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of a Party, including where occasioned by a judgment resulting from an action instituted by a third party;
- 1.1.18. “Rate Schedule” means the rates in effect from time to time and the terms and conditions relating to those rates that are approved by the Board in the Transmitter’s Rate Order, including rates for connection service;
- 1.1.19. “Schedule” means a schedule listed in section 4.2.1 and any additional schedules created by the Parties under section 4.3.1;
- 1.1.20. “Supporting Guarantee” has the meaning given to it in the "Glossary of Terms" of the "utility work protection code" referred to in the document entitled "Electrical Utility Safety Rules", published by the Electrical and Utilities Safety Association of Ontario Incorporated (now the Infrastructure Health and Safety Association) and revised January, 2009, as may be amended from time to time;
- 1.1.21. “Work Protection” means a state or condition whereby an isolated or isolated and de-energized condition has been established for work on facilities and will continue to exist, except for authorized tests, until the work relating thereto has been completed.
- 1.2. In this Agreement, unless the context otherwise requires, each of the following words and phrases shall have the meaning given to it in the Code (whether or not capitalized in the Code or in this Agreement): "assigned capacity"; "available capacity"; “Board”; “business day”; “Code revision date”; “connect”; “connection facilities”; “connection point”; “connection service”; “contracted capacity”; “circuit breaker”; “emergency”; “facilities”; “fault”; “forced outage”; “good utility practice”; “isolate”; “isolating device”; “licence”; "load shedding"; “maintenance”; “outage”; “planned outage”; “promptly”; “protection system”; “protective relay”; “Rate Order”; “reliability”; “reliability organization”; “reliability standards”; "renewable generation"; “single contingency”; “site”; “transmission facilities”; “transmission service”; “transmission system” and “work”.

2. INTERPRETATION

- 2.1. Words and phrases contained in this Agreement (whether or not capitalized) that are not defined herein shall have the meanings given to them in the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A, the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, or in any regulations made under either of those *Acts*, as the case may be.
- 2.2. Headings are for convenience only and shall not affect the interpretation of this Agreement.
- 2.3. In this Agreement, unless the context otherwise requires:
- (a) words importing the singular include the plural and vice versa;

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- (b) words importing a gender include any gender;
 - (c) words importing a person include: (a) an individual, (b) a company, sole proprietorship, partnership, trust, joint venture, association, corporation or other private or public body corporate; and (c) any government, government agency or body, regulatory agency or body or other body politic or collegiate;
 - (d) a reference to a person includes that person’s successors and permitted assigns;
 - (e) a reference to a Party includes any person acting on behalf of that Party;
 - (f) a reference to the Customer’s facilities is limited to such facilities as are relevant to the Customer’s connection to the Transmitter’s transmission system under this Agreement;
 - (g) a reference to a body, whether statutory or not, that ceases to exist or whose functions are transferred to another body is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
 - (h) a reference to a document (including a statutory instrument) or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision;
 - (i) the expression “including” means including without limitation, and the expressions “include”, “includes” and “included” shall be interpreted accordingly; and
 - (j) where a word or phrase is defined in this Agreement, including by virtue of the application of section 1.2, or in any document referred to in section 2.1, other parts of speech and grammatical forms of the word or phrase have a corresponding meaning.
- 2.4. Except when an emergency is anticipated or is occurring, if the time for doing any act or omitting to do any act under this Agreement expires on a day that is not a business day, the act may be done or may be omitted to be done on the next day that is a business day.

3. INCORPORATION OF TRANSMISSION SYSTEM CODE

- 3.1 The Code is hereby incorporated in its entirety by reference into, and forms an integral part of, this Agreement. Unless the context otherwise requires, all references in this Agreement to “this Agreement” shall be deemed to include a reference to the Code.
- 3.2. Without limiting the generality of section 3.1:

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- (a) the Transmitter hereby agrees to be bound by, and at all times to comply with, the Code; and
- (b) the Customer acknowledges and agrees that the Transmitter is bound at all times to comply with the Code in addition to complying with the provisions of this Agreement.

4. SCHEDULES

4.1. Incorporation of Schedules

- 4.1.1. The Schedules form a part of, and are hereby incorporated by reference into, this Agreement.

4.2. Schedules

- 4.2.1 The following are the Schedules to this Agreement:

Schedule A	-	Single Line Diagram, Description of the Customer’s Connection Point(s) and Details of Specific Operations
Schedule B	-	Transmission Services and Associated Charges
	-	Attachment B1
Schedule C	-	Cure Periods for Defaults
Schedule D	-	Fault Levels and Modifications Requiring Transmitter Approval
	-	Attachment D1
Schedule E	-	General Technical Requirements
Schedule F	-	Additional Technical Requirements
Schedule F.1	-	Additional Technical Requirements for Tapped Transformer Stations Supplying Load
Schedule G	-	Protection System Requirements
Schedule H	-	Facilities Deemed Compliant and Obligation to Comply
Schedule I	-	Exchange of Information
	-	Attachment E - Facility Registration and Load Data
Schedule J	-	Contacts for Purposes of Notice
Schedule K	-	Special Provisions
Schedule L	-	Application of Transmission Rate Schedule
Schedule M	-	Embedded Generation, Bypass, Assigned Capacity and True-Ups
Schedule N	-	Miscellaneous

4.3. Additional Schedules

- 4.3.1. The Parties may by mutual agreement append such additional Schedules to this Agreement as may from time to time be required. Where additional Schedules are required by virtue of the fact that technical requirements for load facilities owned by the Customer are relevant to the Customer’s connection to the Transmitter’s transmission system under this Agreement, the Parties shall use schedules in the form set out in

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schedules E and F of version A of the connection agreement set out in Appendix 1 of the Code.

- 4.3.2. In the event of an inconsistency or conflict between a provision of an additional Schedule referred to in section 4.3.1 and a provision of this Agreement or of a Schedule referred to in section 4.2.1, the provision of this Agreement or of the Schedule referred to in section 4.2.1 shall prevail to the extent of the inconsistency or conflict.

5. NOTICE

5.1. Method of Giving Notice and Effective Date

- 5.1.1. Subject to section 5.1.3, any notice, demand, consent, request or other communication required or permitted to be given or made under or in relation to this Agreement shall be given or made by courier or other personal form of delivery; by registered mail; by facsimile; or by electronic mail.
- 5.1.2. A notice, demand, consent, request or other communication referred to in section 5.1.1 shall be deemed to have been duly given or made as follows:
- (a) where given or made by courier or other form of personal delivery, on the date of receipt;
 - (b) where given or made by registered mail, on the sixth day following the date of mailing;
 - (c) where given or made by facsimile and a complete transmission report is issued from the sender’s facsimile transmission equipment, on the day and at the time of transmission as indicated on the sender’s facsimile transmission report, if a business day or, if the transmission is on a day which is not a business day or is after 5:00 pm (addressee’s time), at 9:00 am on the following business day; and
 - (d) where given or made by electronic mail, on the day and at the time when the notice, demand, consent, request or other communication is recorded by the sender’s electronic communications system as having been received at the electronic mail destination, if a business day, or if that time is after 5:00 pm (addressee’s time) or that day is not a business day, at 9:00 am on the following business day.
- 5.1.3. Any notice, demand, consent, request or other communication required or permitted to be given or made under Schedule A shall be given or made in accordance with the notice provisions contained in that Schedule.

5.2. Address for Notice

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5.2.1. Any notice, demand, consent, request or other communication given or made under section 5.1.1 shall be addressed to the applicable representative of the Party identified in Schedule J. A Party may, upon written notice given to the other Party in accordance with section 5.1.1, from time to time change its address or representative for notice, and Schedule J shall be deemed to have been amended accordingly.

5.2.2. Any notice, demand, consent, request or other communication given or made under section 5.1.3 shall be addressed in accordance with Schedule A.

5.3. Exception

5.3.1. Sections 5.1 and 5.2 are subject to such other provisions of this Agreement that expressly require or permit notices, demands, consents, requests or other communications to be given or made by alternative means or to be addressed to other specified representatives of the Parties.

6. ASSIGNMENT

6.1. Subject to section 6.2, no Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed.

6.2. The Customer may, without the prior written consent of the Transmitter, assign by way of security only all or any part of its rights or obligations under this Agreement to a Lender. The Customer shall promptly notify the Transmitter upon making any such assignment.

7. FURTHER ASSURANCES

7.1. Each Party shall promptly execute and deliver or cause to be executed and delivered all further documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.

8. WAIVER

8.1. A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred or implied by any failure to act or by the delay in acting by a Party in respect of any default, breach or non-compliance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party’s rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance, whether of the same or any other nature.

9. AMENDMENTS

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- 9.1. The Parties may not amend this Agreement without leave of the Board, except where and to the extent expressly permitted by this Agreement.
- 9.2. The Parties may by mutual agreement amend this Agreement to reflect changes that may from time to time be made to the Code during the term of this Agreement.
- 9.3. The Parties may, by mutual agreement unless this Agreement otherwise provides, amend the following Schedules:
- (a) Schedule A;
 - (b) Schedule B, to reflect any changes to the Transmitter’s Rate Order that may from time to time come into effect and in relation to Attachment B1;
 - (c) Schedule D, including Attachment D1;
 - (d) Schedule H, in relation to section H.1;
 - (e) Schedule I;
 - (f) Schedule J;
 - (g) Schedule M, in relation to Attachment M1 and Attachment M2; and
 - (h) any Schedule added by the Parties under section 4.3.1.
- 9.4. The Parties shall amend this Agreement in such manner as may be required by the Board.
- 9.5. Any amendment to this Agreement shall be made in writing and duly executed by the Parties.
- 9.6. In the event of an inconsistency or conflict between a provision of an amendment to a Schedule made under section 9.3, other than an amendment made under section 9.4, and a provision of this Agreement, the provision of this Agreement shall prevail to the extent of the inconsistency or conflict.
- 9.7. In the event of an inconsistency or conflict between a provision of an amendment to this Agreement, other than an amendment made under section 9.4, and a provision of the Code, the provision of the Code shall prevail to the extent of the inconsistency or conflict.

10. SUCCESSORS AND ASSIGNS

- 10.1. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

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11. ENTIRE AGREEMENT

- 11.1. Except as expressly provided herein, this Agreement, together with the Schedules, constitutes the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the subject-matter hereof.

12. GOVERNING LAW

- 12.1. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

13. COUNTERPARTS AND ELECTRONIC SIGNATURES

- 13.1. This Agreement may be executed by the Parties in writing or via electronic signatures and in one or more counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement. Counterparts may be delivered via fax, electronic mail (in portable document format) or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and be valid and effective for all purposes.

PART TWO

REPRESENTATIONS AND WARRANTIES

14. REPRESENTATIONS AND WARRANTIES

14.1. Customer’s Representations and Warranties

- 14.1.1. Subject to section 14.3.1, the Customer represents and warrants to the Transmitter as follows, and acknowledges and confirms that the Transmitter is relying on such representations and warranties without independent inquiry in entering into this Agreement:

- (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 this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this 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 or a breach of or a default under or give rise to a right of termination,

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greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Customer; (ii) any contracts or instruments to which the Customer is bound; or (iii) any laws applicable to it;

- (d) any individual executing this Agreement and any document in connection herewith, on behalf of the Customer has been duly authorized to execute this Agreement and has the full power and authority to bind the Customer;
- (e) this Agreement constitutes a legal and binding obligation on the Customer, enforceable against the Customer in accordance with its terms;
- (f) other than the facilities listed in Schedule H, its facilities meet the technical requirements of this Agreement; and
- (g) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on its business.

14.1.2. The Customer shall promptly notify the Transmitter of any circumstance that does or may result in any of the representations and warranties set forth in section 14.1.1 becoming untrue or inaccurate during the term of this Agreement.

14.2. Transmitters’ Representations and Warranties

14.2.1. Subject to section 14.3.1, the Transmitter represents and warrants to the Customer as follows, and acknowledges and confirms that the Customer is relying on such representations and warranties without independent inquiry in entering into this Agreement:

- (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 this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this 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 or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Transmitter; (ii) any contracts or instruments to which the Transmitter is bound; or (iii) any laws applicable to it;

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- (d) any individual executing this Agreement, and any document in connection herewith, on behalf of the Transmitter has been duly authorized to execute this Agreement and has the full power and authority to bind the Transmitter;
- (e) this Agreement constitutes a legal and binding obligation on the Transmitter, enforceable against the Transmitter in accordance with its terms;
- (f) other than the facilities listed in Schedule H, those of its facilities that are relevant to, or may have an impact on, the Customer’s facilities meet the technical requirements of this Agreement; and
- (g) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on its business as a Transmitter.

14.2.2. The Transmitter shall promptly notify the Customer of any circumstance that does or may result in any of the representations and warranties set forth in section 14.2.1 becoming untrue or inaccurate during the term of this Agreement.

14.3. Transition

14.3.1. Where the provisions of this Agreement apply by virtue of the application of section 3.0.7 of the Code, the representations and warranties referred to in sections 14.1.1(f) and 14.2.1(f) shall be deemed to be given only once the parties have completed sections H.1.1 and H.1.2 of Schedule H.

PART THREE

LIABILITY AND FORCE MAJEURE

15. LIABILITY

- 15.1. Except as otherwise expressly provided in this Agreement, the Transmitter shall not be liable for any Party Losses of the Customer whatsoever arising out of any act or omission of the Transmitter under this Agreement unless such Party Losses result from the willful misconduct or negligence of the Transmitter.
- 15.2. Subject to section K.1 of Schedule K and except as otherwise expressly provided in this Agreement, the Customer shall not be liable for any Party Losses of the Transmitter whatsoever arising out of any act or omission of the Customer under this Agreement unless such Party Losses result from the willful misconduct or negligence of the Customer.
- 15.3. Despite sections 15.1 and 15.2 but except as otherwise expressly provided in sections 21.4, 27.13.6, 27.13.7 and 27.13.9, neither Party shall be liable to the other, whether as claims in contract or in tort or otherwise, for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential, incidental or special damages, including punitive or exemplary damages.
- 15.4. A Party shall have a duty to mitigate any Party Losses relating to any claim for indemnification from the other Party that may be made in relation to that other Party. Nothing in this section 15.4 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.
- 15.5. A Party shall give prompt notice to the other Party of any claim with respect to which indemnification is being or may be sought under this Agreement.

16. FORCE MAJEURE

16.1. No Liability Where Force Majeure Event Occurs

- 16.1.1. Subject to sections 16.1.2 to 16.1.4, a Party shall not be liable to the other Party for any failure or delay in the performance of any of its obligations under this Agreement in whole or in part to the extent that such failure or delay is due to a Force Majeure Event.
- 16.1.2. The Party invoking a Force Majeure Event shall only be excused from performance under section 16.1.1:

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- (a) for so long as the Force Majeure Event continues and for such reasonable period of time thereafter as may be necessary for the Party to resume performance of the obligation; and
- (b) where and to the extent that the failure or delay in performance would not have been experienced but for such Force Majeure Event.

16.1.3. Nothing in this section 16 shall excuse a Party from performing any of their respective emergency-related obligations in the event of an emergency.

16.1.4. A Party may not invoke a Force Majeure Event unless it has given notice in accordance with section 16.2.

16.2. Obligations Where Force Majeure Event Occurs

16.2.1. Where a Party invokes a Force Majeure Event, it shall promptly give notice to the other Party, which notice shall include particulars of:

- (a) the nature of the Force Majeure Event and, if known, of its duration;
- (b) the effect that the Force Majeure Event is having on the Party’s performance of its obligations under this Agreement; and
- (c) the measures that the Party is taking, or proposes to take, to alleviate the impact of the Force Majeure Event.

Such notice may be given verbally, in which case the notifying Party shall as soon as practicable thereafter confirm the notice in writing.

16.2.2. Where a Party invokes a Force Majeure Event, it shall use all reasonable endeavours to mitigate or alleviate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. Nothing in this section 16.2.2 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

16.2.3. Where a Party invokes a Force Majeure Event, it shall notify the other Party in writing as soon as practicable of the cessation of the Force Majeure Event and of the cessation of the effects of the Force Majeure Event on the Party’s performance of its obligations under this Agreement.

**PART FOUR
DISPUTE RESOLUTION**

17. DISPUTE RESOLUTION

17.1. Exclusivity

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17.1.1. Subject to sections 17.1.2 and 17.1.3:

- (a) the dispute resolution procedure set forth in this section 17 shall apply to all disputes between the Customer and the Transmitter arising under or in relation to this Agreement; and
- (b) the Parties shall comply with the procedure set out in this section 17 before taking any other civil or other proceeding in relation to the dispute.

17.1.2. Nothing in section 17.1.1 shall prevent a Party from seeking urgent or interlocutory relief from a court of competent jurisdiction in the Province of Ontario in relation to any dispute between them arising under or in relation to this Agreement.

17.1.3. The dispute resolution procedure set forth in this section 17 shall not apply:

- (a) in relation to any matter that must or may be submitted to the Board for resolution under section [s 4.7.1](#), [6.1.8](#), [6.2.2](#), [6.2.20](#), [6.2.27](#), [6.3.5](#) or [6.3.11\(c\)](#) [or Appendix 4](#) of the Code or section K.2.2 of Schedule K [or section 4.6 of Schedule M](#); or
- (b) in relation to any dispute to be resolved under the Market Rules as described in sections [B.6](#) [and B.7](#) of Schedule B.

17.2. Duty to Negotiate

17.2.1. Any dispute between the Customer and the Transmitter referred to in section 17.1.1 shall be referred to a designated senior representative of each of the Parties for resolution on an informal basis as quickly as possible.

17.2.2. The designated senior representatives of the Parties shall attempt in good faith to resolve the dispute within thirty days of the date on which the dispute was referred to them. The Parties may by mutual agreement extend such period.

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17.2.3. If a dispute is settled by the designated senior representatives of the Parties, the Parties shall prepare and execute minutes setting forth the terms of the settlement. Such terms shall bind the Parties. The subject-matter of the dispute shall not thereafter be the subject of any civil or other proceeding, other than in relation to the enforcement of the terms of the settlement.

17.2.4. If a Party fails to comply with the terms of settlement referred to in section 17.2.3, the other Party may submit the matter to arbitration under section 17.3.1.

17.2.5. A copy of the minutes referred to in section 17.2.3 from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.

17.2.6. The Parties may not, by means of the settlement of a dispute under section 17.2.3 or section 17.5.10, agree to terms or conditions that would, if they had been the subject of an amendment to this Agreement, violate section 9.1.

17.3. Submission of Unresolved Disputes to Arbitration

17.3.1. If the designated senior representatives of the Parties cannot resolve the dispute within the time period set out in section 17.2.2 or where section 17.2.4 or 17.5.11 applies, either Party may submit the dispute to binding arbitration under sections 17.4 and 17.5 by notice to the other Party.

17.4. Selection of Arbitrator(s)

17.4.1. The Parties shall use good faith efforts to appoint a single arbitrator for purposes of the arbitration of the dispute. If the Parties fail to agree upon a single arbitrator within ten business days of the date of the notice referred to in section 17.3.1, each Party shall within five business days thereafter choose one arbitrator. The two arbitrators so chosen shall within twenty days select a third arbitrator.

17.4.2. Where a Party has failed to choose an arbitrator under section 17.4.1 within the time allowed, the other Party may apply to a court to appoint a single arbitrator to resolve the dispute.

17.4.3. No person shall be appointed as an arbitrator unless that person:

- (a) is independent of the Parties;
- (b) has no current or past substantial business or financial relationship with either Party, except for prior arbitration; and
- (c) is qualified by education or experience to resolve the dispute.

17.5. Arbitration Procedure

- 17.5.1 The arbitrator(s) shall provide each of the Parties with an opportunity to be heard orally and/or in writing, as may be appropriate to the nature of the dispute.
- 17.5.2. The *Arbitration Act, 1991* (Ontario) shall apply to an arbitration conducted under this section 17.
- 17.5.3. The arbitrator(s) shall make due provision for the adequate protection of Confidential Information that may be disclosed or may be required to be produced during the course of an arbitration in a manner consistent with the confidentiality obligations of section 21.
- 17.5.4. All proceedings relating to the arbitration of a dispute shall be conducted in private unless the Parties agree otherwise.
- 17.5.5. Unless the Parties otherwise agree, the arbitrator(s) shall render a decision within ninety days of the date of appointment of the last to be appointed arbitrator, and shall notify the Parties of the decision and of the reasons therefore.
- 17.5.6. The decision of the arbitrator(s) shall be final and binding on the Parties and may be enforced in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The Party against which the decision is enforced shall bear all costs and expenses reasonably incurred by the other Party in enforcing the decision.
- 17.5.7. A copy of the decision of the arbitrator(s) from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.
- 17.5.8. Subject to section 17.5.9, each Party shall be responsible for its own costs and expenses incurred in the arbitration of a dispute and for the costs and expenses of the arbitrator(s) if appointed to resolve the dispute.
- 17.5.9. The arbitrator(s) may, if the arbitrator(s) consider it just and reasonable to do so, make an award of costs against or in favour of a Party to the dispute. Such an award of costs may relate to either or both the costs and expenses of the arbitrator(s) and the costs and expenses of the Parties to the dispute.
- 17.5.10. If a dispute is settled by the Parties during the course of an arbitration, the Parties shall prepare and execute minutes setting forth the terms of the settlement. Such terms shall bind the Parties, and either Party may request that the arbitrator(s) record the settlement in the form of an award under section 36 of the *Arbitration Act, 1991* (Ontario). The subject-matter of the dispute shall not thereafter be the subject of any civil or other proceeding, other than in relation to the enforcement of the terms of the settlement.

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- 17.5.11. If a Party fails to comply with the terms of settlement referred to in section 17.5.10, the other Party may submit the matter to arbitration under section 17.3.1 if the settlement has not been recorded in the form of an award under section 36 of the *Arbitration Act, 1991* (Ontario).
- 17.5.12. A copy of the minutes referred to in section 17.5.10 from which all Confidential Information has been expunged shall be made available to the public by the Transmitter.

PART FIVE

TERM, TERMINATION AND EVENTS OF DEFAULT

18. TERM AND TERMINATION

18.1. Coming into Force

18.1.1. Subject to section 18.1.2, this Agreement shall come into force on the date first mentioned above and shall remain in full force and effect until terminated in accordance with this Agreement.

18.1.2. Where the provisions of this Agreement apply by virtue of the application of section 3.0.7 of the Code, those provisions shall come into force on the Code revision date and shall remain in full force and effect until terminated in accordance with this Agreement.

18.2. Termination Without Cause by Customer

18.2.1. The Customer may, if it is not then a Defaulting Party to whom a Default Notice has been delivered, terminate this Agreement at any time during the term of this Agreement by giving the Transmitter six months’ prior written notice setting out the termination date.

18.2.2. Where the Customer gives notice to terminate under section 18.2.1, the Transmitter shall disconnect all of the Customer’s facilities at all connection points on the termination date specified in that notice or on such other date as the Parties may agree in writing.

18.2.3. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 18.2.2.

18.3. Termination for Cause by Either Party

18.3.1. Termination of this Agreement by a Party by reason of an Event of Default occurring in relation to the other Party shall be effected in accordance with section 19.

18.4. Provisions Relating to Termination Generally

18.4.1. Termination of this Agreement for any reason shall not affect:

- (a) the liabilities of either Party that were incurred or arose under this Agreement prior to the time of termination; or
- (b) that expressly apply in relation to disconnection of the Customer’s facilities following termination of this Agreement.

18.4.2. Without limiting the generality of section 18.4.1(a), the liabilities of the Parties referred

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to in that section shall include any obligations to make payments in relation to bypass compensation or true-ups provided for in Schedule M.

18.4.3. Termination of this Agreement for any reason shall be without prejudice to the right of the terminating Party to pursue all legal and equitable remedies that may be available to it, including injunctive relief.

18.5. Rights and Remedies not Exclusive

18.5.1. The rights and remedies set out in this Agreement are not intended to be exclusive but rather are cumulative and are in addition to any other right or remedy otherwise available to a Party at law or in equity.

18.5.2. Nothing in this section 18.5 shall be interpreted as affecting the limitations of liability set forth in section 15 or the obligation of a Party to comply with section 17 while this Agreement is in force.

18.6. Survival

18.6.1. Sections 18.4 and 18.5 shall survive termination of this Agreement.

19. EVENTS OF DEFAULT AND TERMINATION FOR CAUSE

19.1. Occurrence of an Event of Default

19.1.1. If an Event of Default occurs in relation to a Party, the Non-defaulting Party may, without prejudice to its other rights and remedies as provided for in this Agreement or at law or in equity, serve the Defaulting Party with a notice specifying the Event of Default that has occurred and the applicable Cure Period (“Default Notice”).

19.2. Curing Events of Default

19.2.1. Upon receipt of a Default Notice, the Defaulting Party shall be entitled to remedy the Event of Default specified in the Default Notice:

- (a) for a Financial Default, within the applicable Cure Period specified in Schedule C, calculated from the date of receipt of the Default Notice;
- (b) for a Non-financial Default that has an impact that is referred to in Schedule C, within the applicable Cure Period specified for that impact in Schedule C, calculated from the date of the receipt of the Default Notice; or
- (c) for a Non-financial Default that does not have an impact that is referred to in Schedule C, within a period of twenty business days from the date of receipt of the Default Notice.

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The Parties may agree to a Cure Period that is longer than the Cure Period that would otherwise apply under section 19.2.1(a), 19.2.1(b) or 19.2.1(c).

19.2.2. During the Cure Period, the Defaulting Party shall diligently seek to remedy the Event of Default specified in the Default Notice.

19.2.3. If the Non-defaulting Party considers that the Defaulting Party is not, during the Cure Period, diligently seeking to remedy a Non-financial Default, the Non-defaulting Party may serve the Defaulting Party with a notice (“End of Cure Period Notice”) to that effect. If, within ten business days of receiving the End of Cure Period Notice, the Defaulting Party has not commenced to diligently seek to remedy the Non-financial Default, the Cure Period shall end on the fifth business day following the date of receipt of the End of Cure Period Notice, and section 19.3.1 shall apply.

19.2.4. A Financial Default shall be considered remedied when:

- (a) the Defaulting Party has paid to the Non-defaulting Party all amounts specified in the Default Notice, together with interest calculated in accordance with section 19.2.5; and
- (b) the Defaulting Party has reimbursed the Non-defaulting Party for all costs of enforcement, recovery, or attempted enforcement or recovery, including reasonable legal costs and expenses, reasonably incurred by the Non-defaulting Party in relation to the Financial Default.

19.2.5. Amounts specified in a Default Notice given in relation to a Financial Default shall bear interest at the prime lending rate set by the Bank of Canada plus two percent from the date on which the Event of Default occurred until the date on which payment is sent to the Non-defaulting Party.

19.2.6. A Non-financial Default shall be considered remedied when:

- (a) the Event of Default has been remedied to the reasonable satisfaction of the Non-defaulting Party; and
- (b) the Defaulting Party has reimbursed the Non-defaulting Party for all costs of enforcement or recovery or attempted enforcement or recovery, including reasonable legal costs and expenses, reasonably incurred by the Non-defaulting Party in relation to the Non-financial Default.

19.3. Right to Terminate and Disconnect

19.3.1. Subject to section 19.3.2, where an Event of Default has not been remedied prior to the expiry of the applicable Cure Period, including in accordance with section 19.2.3, the Non-defaulting Party may, without prejudice to its other rights and remedies as provided for in this Agreement or at law or in equity, terminate this Agreement by written notice to

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the Defaulting Party. Such termination shall take effect:

- (a) in the case of a Non-financial Default, on the date on which the termination notice is delivered to the Defaulting Party; or
- (b) in the case of a Financial Default, on the date that is seven business days from the date on which the termination notice is delivered to the Defaulting Party.

19.3.2. The Transmitter may not terminate this Agreement under section 19.3.1 or, subject to section 19.3.5, disconnect the Customer’s facilities under section 19.3.3 in relation to an Event of Default by the Customer where the issue of the Customer’s default has been referred to the dispute resolution process referred to in section 17 and the dispute has not been finally resolved.

19.3.3. The Transmitter may disconnect all of the Customer’s facilities at all applicable connection points on or after the date on which this Agreement terminates under section 19.3.1.

19.3.4. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 19.3.3.

19.3.5. Nothing in this section 19 shall prevent the Transmitter from:

- (a) disconnecting the Customer’s facilities where permitted by section 20.3.1, even if the Customer is a Defaulting Party at the relevant time; or
- (b) immediately disconnecting the Customer’s facilities where the Transmitter reasonably believes that a Non-financial Default by the Customer is having or will have a material adverse effect on the Transmitter’s transmission system or on a third party.

19.4. Lender’s Right of Substitution

19.4.1. Where a Default Notice has been served on the Customer, an agent or trustee for and on behalf of a Lender (“Security Trustee”) or a receiver appointed by the Security Trustee (“Receiver”) shall upon notice to the Transmitter be entitled (but not obligated) to exercise all of the rights and obligations of the Customer under this Agreement and shall be entitled to remedy the Event of Default specified in the Default Notice within the applicable Cure Period. The Transmitter shall accept performance of the Customer’s obligations under this Agreement by the Security Trustee or Receiver in lieu of the Customer’s performance of such obligations, and will not exercise any right to terminate this Agreement under section 19.3.1 due to an Event of Default if the Security Trustee, its nominee or transferee, or the Receiver acknowledges its intention to be bound by the terms of this Agreement and such acknowledgment is received within 30 days of the date of receipt by the Customer of the Default Notice.

PART SIX

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DISCONNECTION AND RECONNECTION

20. DISCONNECTION

20.1. Voluntary Permanent Disconnection by Customer

- 20.1.1. The Customer may at any time voluntarily and permanently disconnect some but not all of its facilities from the Transmitter’s transmission facilities provided that the Customer is not then a Defaulting Party to whom a Default Notice has been delivered.
- 20.1.2. The Customer shall give the Transmitter notice in writing of its intention to voluntarily disconnect some of its facilities under section 20.1.1 no less than ten days before the date on which the Customer wishes to disconnect.
- 20.1.3. Where the Customer voluntarily and permanently disconnects facilities under section 20.1.1, the Customer shall be liable to make any payments in relation to bypass or true-ups provided for in Schedule M that may be triggered by such disconnection.
- 20.1.4. Section 20.5 shall apply in relation to the disconnection of the Customer’s facilities under section 20.1.1.

20.2. Voluntary Temporary Disconnection by Customer and Reconnection

- 20.2.1. Where practical, the Customer shall notify the Transmitter prior to temporarily disconnecting its facilities from the Transmitter’s transmission system.
- 20.2.2. The Transmitter shall, at the Customer’s request, reconnect the Customer’s facilities to its transmission system following a voluntary temporary disconnection under section 20.2.1 once the Transmitter is reasonably satisfied that all requirements of this Agreement are met, that all payments due to be paid by the Customer under this Agreement have been made and that the Customer agrees to pay all reasonable reconnection costs charged by the Transmitter. Reconnection shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with the procedures agreed between the Parties.

20.3. Disconnection by Transmitter

- 20.3.1. The Transmitter may disconnect the Customer’s facilities at any connection point and at any time throughout the term of this Agreement in any of the following circumstances:
- (a) in accordance with subsection 40 (5) of the *Electricity Act, 1998*, other applicable law, the Transmitter’s licence or the Market Rules;

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- (b) where required to comply with a decision or order of an arbitrator or court made or given under section 17;
- (c) during an emergency or where necessary to prevent or minimize the effects of an emergency; or
- (d) where required by an order or direction from the IESO given in accordance with the Market Rules.

20.3.2. Section 20.5 shall, to the extent applicable, apply in relation to the disconnection of the Customer’s facilities under section 20.3.1.

20.4. Reconnection after Disconnection by Transmitter

20.4.1. Where a Customer’s facilities have been disconnected under section 20.3 during an emergency, the Transmitter shall reconnect the Customer’s facilities to its transmission facilities when it is reasonably satisfied that the emergency has ceased and that all other requirements of this Agreement are met.

20.4.2. Where a Customer’s facilities have been disconnected under section 20.3 other than during an emergency, the Transmitter shall reconnect the Customer’s facilities to its transmission system when it is reasonably satisfied that the reason for the disconnection no longer exists, the Customer agrees to pay all reasonable reconnection costs charged by the Transmitter, and the Transmitter is reasonably satisfied of the following, where applicable:

- (a) the Customer has taken all necessary steps to prevent the circumstances that caused the disconnection from recurring and has delivered binding undertakings to the Transmitter that such circumstances shall not recur; and
- (b) any decision or order of a court or arbitrator made or given under section 17 that requires a Party to take action to ensure that such circumstances shall not recur has been implemented and/or assurances have been given to the satisfaction of the affected Party that such decision or order will be implemented.

20.4.3. Reconnection under this section 20.4 shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with the procedures agreed between the Parties.

20.5. Provisions Applicable to Disconnection Generally

20.5.1. Within 20 business days of the coming into force of this Agreement, the Parties shall develop appropriate operating and decommissioning procedures for the Customer’s facilities. The Parties shall comply with those operating and decommissioning procedures in relation to any disconnection of the Customer’s facilities.

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- 20.5.2. Where the Customer’s facilities are disconnected, each Party shall be entitled to decommission and remove its assets associated with the connection and the applicable connection points. Each Party shall, for that purpose, provide the other Party with all necessary access to its site at all reasonable times.
- 20.5.3. The Customer shall continue to pay for transmission services provided up to the time of disconnection of its facilities.
- 20.5.4. The Customer shall pay all reasonable costs, including the costs of removing any of the Transmitter’s equipment from the Customer’s facilities, that are directly attributable to the disconnection and, where applicable, the subsequent decommissioning of the Customer’s facilities. The Transmitter shall not require the removal of the protection and control wiring within the Customer’s facilities.
- 20.5.5. While the Customer’s facilities are disconnected, the Transmitter shall not be required to convey electricity to or from the Customer’s facilities.

PART SEVEN

EXCHANGE AND CONFIDENTIALITY OF INFORMATION

21. EXCHANGE AND CONFIDENTIALITY OF INFORMATION

21.1. For purposes of this Agreement, “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; or
- (b) information that is, at the time of the disclosure, in the possession of the receiving Party, provided that it was lawfully obtained from a person under no obligation of confidence in relation to the information.

21.2 Subject to section 21.3, each Party shall treat all Confidential Information disclosed to it by the other Party as confidential and shall not, without the written consent of that other Party:

- (a) disclose that Confidential Information to any other person; or
- (b) use that Confidential Information for any purpose other than the purpose for which it was disclosed or another applicable purpose contemplated in this Agreement.

Where a Party, with the written consent of the other Party, discloses Confidential Information of that other Party to another person, the Party shall take such steps as may be required to ensure that the other person complies with the confidentiality provisions of this Agreement.

21.3. Nothing in section 21.2 shall prevent the disclosure of Confidential Information:

- (a) where required under this Agreement, the Market Rules or a licence;
- (b) where required by law or regulatory requirements;
- (c) where required by order of a government, government agency, regulatory body or regulatory agency having jurisdiction;

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- (d) if required in connection with legal proceedings, arbitration or any expert determination relating to the subject matter of this Agreement, or for the purpose of advising a Party in relation thereto;
 - (e) as may be required to enable the Transmitter to fulfill its obligations to any reliability organization;
 - (f) as may be required during an emergency or to prevent or minimize the effects of an emergency; or
 - (g) by the Customer to a Lender or prospective Lender.
- 21.4. Notwithstanding any provision of section 15, a Party that breaches section 21.2 shall be liable to the other Party for any and all Party Losses of that other Party arising out of such breach.
- 21.5. The Parties acknowledge and agree that the exchange of information, including Confidential Information, under this Agreement is necessary for maintaining the reliable operation of the Transmitter’s transmission system. The Parties further agree that all information, including Confidential Information, exchanged between them shall be prepared, given and used in good faith and shall be provided in a timely and cooperative manner.
- 21.6. Each Party shall comply with its information exchange obligations as set out in this Agreement, including in Schedule I. In addition, each Party shall provide the other with such information as the other may reasonably require to enable it to perform its obligations under this Agreement.
- 21.7. Each Party shall as soon as practicable notify the other Party upon becoming aware of a material change or error in any information previously disclosed to the other Party under this Agreement and, in the case of the Customer, in any information contained in its application for connection. The Party shall provide updated or corrected information as required to ensure that information provided to the other Party is up to date and correct.

PART EIGHT

TRANSMISSION SERVICE AND OTHER CHARGES

22. TRANSMISSION SERVICE AND TRANSMISSION SERVICE CHARGES

- 22.1. The Transmitter shall provide transmission services to the Customer in accordance with this Agreement and the Transmitter’s Rate Order.
- 22.2. The Parties shall comply with their respective obligations as set out in Schedule B in relation to transmission service.
- 22.3. The Transmitter shall not charge the Customer for transmission services except in accordance with the Transmitter’s Rate Order.
- 22.4. The Customer shall pay for charges for transmission services in accordance with Schedule B.

23. OTHER CHARGES AND PAYMENTS

- 23.1. In addition to charges for transmission service, the Transmitter may require that the Customer pay the following:
 - (a) amounts required to give effect to the true-up provisions of Schedule M;
 - (b) bypass compensation, where permitted by and determined in accordance with this Agreement;
 - (c) a capital contribution in relation to the construction of new or modified transmission facilities, where permitted by and determined in accordance with the Code;
 - (d) fees or charges approved by the Board, including fees or charges approved as part of the transmitter’s Board-approved connection procedures referred to in section 6.1.4 of the Code; and
 - (e) any other fees, charges or costs expressly provided for in this Agreement.

PART NINE

TECHNICAL AND OPERATING REQUIREMENTS

24. FACILITY STANDARDS

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- 24.1. The Transmitter shall comply with section 4.3.1 of the Code. The Customer shall ensure that its facilities:
- (a) meet all applicable requirements of the Ontario Electrical Safety Authority, subject to any exemption that may have been granted to or that may apply to the Customer;
 - (b) conform to all applicable industry standards, including those of the Canadian Standards Association, the Institute of Electrical and Electronic Engineers, the American National Standards Institute, and the International Electrotechnical Commission (IEC);
 - (c) are constructed, operated and maintained in accordance with this Agreement, the Customer’s licence, the Market Rules, all applicable reliability standards and good utility practice;
 - (d) where they are connection facilities, are made by it with due regard for the safety of the Customer’s employees and the public;
 - (e) where they are connection facilities, are made by it on a timely basis and are designed and constructed by it in accordance with the applicable provisions of the Transmitter’s Board-approved connection procedures or, in the absence of such Board-approved connection procedures, in accordance with section 6.1.8 of the Code; and
 - (f) where they are connection facilities, do not materially reduce the reliability or performance of the Transmitter’s transmission system and are constructed with such mitigation measures as may be required so that no new available fault current level exceeds the maximum allowable fault levels set out in Appendix 2 of the Code if this would have an adverse effect on the Transmitter. Where the new available fault current level would exceed the maximum allowable fault level set out in Appendix 2 of the Code and would have an adverse effect on the Transmitter the Customer may, as an alternative, make suitable arrangements with the Transmitter to mitigate the economic or financial impact of allowing the new available fault current level to exceed the maximum allowable fault level set out in Appendix 2 of the Code. Such arrangements shall be consistent with the cost responsibility principles set out in the Code.
- 24.2. The Customer shall ensure that those of its facilities that are connected to the Transmitter’s transmission system, other than the facilities identified in section H.1 of Schedule H, comply with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2.
- 24.3. Where the Transmitter, after conducting a Customer Impact Assessment under section 6.4 of the Code, provides the Customer with a new available fault current level, the Customer shall, at its own expense, upgrade its facilities as may be required to

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accommodate the new available fault current level. This obligation shall not apply to the extent that the new available fault current level exceeds the maximum allowable fault levels set out in Appendix 2 of the Code except where suitable financial arrangements have been made with the Customer as contemplated in the last paragraph of section 6.1.2 of the Code.

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- 24.4. The Transmitter and the Customer shall fully cooperate to ensure that modelling data required by this Agreement for the planning, design and operation of connections are complete and accurate. The Transmitter shall conduct, or may require that the Customer conduct, such tests as may be required where the Transmitter believes on reasonable grounds that the accuracy of such data is in question. The Party conducting such tests shall promptly report the results to the other Party. Where the tests are conducted by the Transmitter, the tests shall be conducted at a time that is mutually agreed by the Customer and the Transmitter, and the Customer shall reimburse the Transmitter for the costs and expenses reasonably incurred by the Transmitter in conducting the tests. If the testing is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, that Party shall, at the request of the other Party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the test.
- 24.5. The Customer shall, at the Transmitter’s request, permit the Transmitter to participate in the commissioning, inspection, and testing of the Customer’s facilities so as to enable the Transmitter to ensure that the Customer’s facilities will not adversely affect the reliability of the Transmitter’s transmission system.
- 24.6. Where section 24.5 applies, the commissioning, inspection or testing of the Customer’s facilities shall be conducted at a time that is mutually agreed by the Customer and the Transmitter. If the commissioning, inspection or testing is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, that Party shall, at the request of the other Party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the commissioning, inspection or testing activity.

25. ADDITIONAL TECHNICAL REQUIREMENTS

- 25.1. Each Party shall comply with their respective obligations as set out in Schedules E, F and G.
- 25.2. Each Party shall ensure that its facilities meet the technical requirements set out in Schedules E, F and G.

26. OPERATIONAL STANDARDS AND REPORTING

- 26.1. As of the date of this Agreement, the fault levels at all connection points applicable to the Customer’s facilities and the assumptions underlying those fault levels, as specified by the Transmitter in accordance with the Market Rules, are set out in section D.1 of Schedule D. The Transmitter shall update such fault levels as may be required under this Agreement or in response to a request by the Customer under section 26.2, and the Parties shall amend Schedule D accordingly.
- 26.2. The Customer acknowledges that the fault levels at connection points applicable to the Customer’s facilities will change from time to time, and agrees that it may not rely upon the fault levels as specified section D.1 of Schedule D. Where the Customer reasonably requires confirmation of the fault levels at a connection point applicable to the

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Customer’s facilities, the Customer shall submit a request to that effect to the Transmitter. The Transmitter shall then provide the Customer with the current fault levels.

26.3. The Customer shall promptly report to the Transmitter any changes in its facilities that could materially affect the performance of the Transmitter’s transmission system.

26.4. The Customer shall, at the Transmitter’s request, promptly report to the Transmitter any and all incidents involving the automatic operation of the Customer’s facilities’ protective relays that affect the Transmitter’s transmission facilities.

26.5. The Transmitter shall promptly report to the Customer any changes in its facilities that could materially affect any transmission services provided to the Customer under this Agreement.

27. OPERATIONS AND MAINTENANCE

27.1. Work on Site of Other Party

27.1.1. When a Party is conducting work at the other Party’s site, the working Party shall:

- (a) subject to section 27.1.2, comply with all of the host Party’s practices and requirements relating to occupational health and safety and environmental protection;
- (b) comply with all applicable law relating to occupational health and safety and environmental protection; and
- (c) comply with all of the host Party’s reasonable practices and requirements relating to security of the host Party’s site, including entering into an access agreement on reasonable terms relating to security of the host Party’s site.

27.1.2. When a Party is conducting work at the other Party’s site, the working Party shall comply with its own practices and requirements in relation to occupational health and safety and environmental protection:

- (a) to the extent permitted by the host Party, which permission shall not be granted unless the host Party is satisfied that the working Party’s practices and requirements provide for a level of safety or protection that equals or exceeds its own; or
- (b) to the extent that the host Party has not made its practices or requirements known to the working Party.

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27.2. General

27.2.1. Each Party shall ensure that its facilities are operated and maintained only by persons qualified to do so.

27.2.2. Each Party shall operate and maintain its facilities in accordance with Schedule A.

27.3. Controlling Authorities

27.3.1. The Controlling Authority for each Party is the person identified as such in Schedule A. A Party may, by written notice to the Controlling Authority of the other Party, from time to time change its Controlling Authority, and the Parties shall amend Schedule A accordingly.

27.3.2. A Party shall comply with any request received from the Controlling Authority of the other Party.

27.4. Communication Between the Parties

27.4.1. Except as otherwise provided in this Agreement, all communications between the Parties relating to routine operating and maintenance matters shall be exchanged between the Parties’ respective Controlling Authorities in accordance with the contact information set out in Schedule A, or as otherwise specified in Schedule A.

27.4.2. Each Party shall provide the other Party with a communications protocol to be used by that other Party in emergency situations. The protocol shall include the name of the Party’s site emergency coordinator.

27.5. Switching

27.5.1 Each Party shall, through its Controlling Authority, develop a written protocol that establishes the conditions for, and the coordination of, switching in respect of equipment under its control.

27.5.2. The Parties shall, through their respective Controlling Authorities, approve one another’s switching protocols.

27.5.3. A Party may, with the consent of the other Party, appoint an employee of the other Party as its designate for switching purposes, provided that orders to operate must be issued by the Party’s Controlling Authority.

27.5.4. The Transmitter may issue to the Customer, and the Customer shall comply with, such switching instructions as may be required to maintain the security and reliability of the Transmitter’s transmission system.

27.5.5. The Controlling Authorities of the Parties shall, prior to the time at which any switching activity is to occur, agree upon procedures for such switching activity.

27.6 Isolation of Facilities at Customer’s Request

27.6.1. A Party shall not, other than in an emergency, operate an isolating disconnect switch except on prior notice to the other Party.

27.6.2. If the Customer requires isolation of its own facilities or of facilities under the Transmitter’s control, the Customer’s Controlling Authority shall deliver a written notice to that effect to the Transmitter’s Controlling Authority. The written notice shall contain the following:

- (a) a request that the Transmitter’s Controlling Authority provide a Supporting Guarantee;
- (b) the Transmitter’s assigned equipment operating designations, if applicable; and
- (c) the Customer’s assigned equipment operating designations, if the Transmitter’s equipment operating designations have not been assigned.

27.6.3. After the written notice referred to in section 27.6.2 has been delivered, the Customer’s Controlling Authority may request, and the Transmitter’s Controlling Authority shall ensure, that the isolation and subsequent reconnection of the Customer’s relevant equipment is done on a timely basis. The Parties shall bear their own costs and expenses associated with such isolation and reconnection.

27.6.4. The Transmitter may, provided that it has given advance notice to the Customer, lock the isolating disconnect switch in the open position in any of the following circumstances:

- (a) where necessary to protect the Transmitter’s personnel or equipment and the Transmitter has received a Supporting Guarantee from the Customer, in which case the lock shall be under the Transmitter’s control for the duration of the Supporting Guarantee;
- (b) where the operation of the Transmitter’s equipment interferes with the operation of the Customer’s equipment;
- (c) where equipment owned by either Party interferes with the operation of the Transmitter’s transmission system; or
- (d) where the Transmitter has been directed by the IESO to do so in accordance with the Market Rules.

27.7. Isolation of Facilities at Transmitter’s Request

27.7.1. If the Transmitter requires isolation of its own facilities from the Customer’s facilities or isolation of facilities under the Customer’s control, the Transmitter’s Controlling Authority shall deliver a written notice to that effect to the Customer’s Controlling Authority. The written notice shall contain a request that the Customer’s Controlling Authority provide a Supporting Guarantee that identifies the Customer’s assigned equipment operating designations.

27.7.2. After the written notice referred to in section 27.7.1 has been delivered, the Transmitter’s Controlling Authority may request, and the Customer’s Controlling Authority shall ensure, that the isolation and subsequent reconnection of the Transmitter’s relevant equipment is done on a timely basis. The Parties shall bear their own costs and expenses associated with such isolation and reconnection.

27.8. Alternative Method of Isolation

27.8.1. A Party may establish its own Work Protection in place of obtaining a Supporting Guarantee from the other Party.

27.8.2. The Party whose facilities are required in order to establish Work Protection shall provide the other Party with access to those facilities.

27.8.3. Establishing Work Protection shall be limited to the hanging of tags and the locking of devices.

27.9. Forced Outages

27.9.1. Where the forced outage of the facilities of one Party adversely affects the facilities of the other Party, the Controlling Authority of the Party experiencing the forced outage shall promptly notify the Controlling Authority of the other Party of the forced outage.

27.9.2. The Controlling Authority of a Party shall have sole authority to identify the need for and to initiate a forced outage of that Party’s facilities.

27.10. Planned Work

27.10.1. Where planned work to be performed by a Party may affect the safety of the other Party’s personnel, the Party performing the work shall provide the other Party with all required Work Protection documentation and related notices in writing or by such other means as they may agree in writing.

27.10.2. Where planned work on the facilities of a Party:

- (a) requires the participation or cooperation of the other Party; or
- (b) could adversely affect the normal operation of the other Party’s facilities,

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the other Party shall use commercially reasonable efforts to accommodate the planned work and shall negotiate in good faith the reasonable procedures and cost sharing criteria applicable to the planned work.

- 27.10.3. The Customer shall take all reasonable steps to ensure that all anticipated and planned outages of its facilities for each calendar year are submitted to the Transmitter by October 1st of the preceding year.
- 27.10.4. All planned work on the Customer’s facilities that may affect the Transmitter’s transmission facilities shall be scheduled by the Customer with the Transmitter’s Controlling Authority.
- 27.10.5. Where the Customer plans work on its facilities that:
- (a) requires a feeder breaker to be opened or operated;
 - (b) requires any disconnection or isolation from any facilities of either Party that are less than 50 kV, such as a feeder breaker;
 - (c) will result in power flow or load changes of greater than 5 MW; or
 - (d) will involve a transfer, load transfer or a switching operation that directly affects the Transmitter’s transmission facilities,

the Customer’s Controlling Authority shall submit a request to the Transmitter’s representative identified in Schedule A, including a request to provide a Supporting Guarantee where applicable. Such request shall be submitted in writing and shall be submitted at least four days in advance of the planned work or within such other period as the Parties may agree.

- 27.10.6 Where the Customer plans work on its facilities that requires that multiple feeder breakers, a station bus or a whole transformer station be operated, the Customer’s Controlling Authority shall submit a request to the Transmitter’s representative identified in Schedule A, including a request to provide a Supporting Guarantee where applicable. Such request shall be submitted in writing and shall be submitted at least ten days in advance of the planned work or within such other period as the Parties may agree.
- 27.10.7. Where the Transmitter plans work on its facilities that directly affects the Customer’s facilities and that requires that multiple feeder breakers, a station bus or a whole transformer station be operated, the Transmitter’s Controlling Authority shall give notice of the planned work to the Customer’s representative identified in Schedule A. Such notice shall be submitted in writing and shall be submitted at least ten days in advance of the planned work or within such other period as the Parties may agree.

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- 27.10.8. Where the Transmitter plans work on its facilities that directly affects the Customer’s facilities and that requires a feeder breaker to be opened or operated, the Transmitter’s Controlling Authority shall give notice of the planned work to the Customer’s representative identified in Schedule A. Such notice shall be submitted in writing and shall be submitted at least four days in advance of the planned work or within such other period as the Parties may agree.
- 27.10.9. The Controlling Authority of a Party may submit to the other Party a written request for permission to re-schedule planned work that has been previously notified to or scheduled with that other Party. Such request must be given in writing at least two business days prior to the date on which the planned work was originally scheduled to occur.
- 27.10.10. If a Party’s request to re-schedule cannot be reasonably accommodated by the other Party and the Parties cannot agree on an alternate date, the matter shall be submitted to the dispute resolution process set out in section 17.

27.11. Shutdown of Customer’s Facilities

- 27.11.1. The Customer’s Controlling Authority shall promptly notify the Transmitter’s Controlling Authority in the event that the Customer’s facilities are shut down for any reason. The Transmitter shall investigate and determine the cause of the shutdown, using available evidence including input from the Customer’s staff.
- 27.11.2. Once the Transmitter is satisfied that reconnection of the Customer’s facilities following a shut down will not adversely affect the Transmitter’s transmission system, the Transmitter shall notify the Customer as soon as practicable that it may reconnect its facilities to the Transmitter’s transmission facilities. The Customer shall not reconnect its facilities to the Transmitter’s transmission facilities following a shut down until authorized to do so by the Transmitter’s Controlling Authority. Reconnection shall be effected in accordance with the Transmitter’s Board-approved reconnection procedures referred to in section 6.10.3 of the Code or, in the absence of such procedures, in accordance with procedures agreed between the Parties.

27.12. Emergency Operations

- 27.12.1. During an emergency or in order to prevent or minimize the effects of an emergency, a Party may without prior notice to the other Party take whatever immediate action it deems necessary to ensure public safety or to safeguard life, property or the environment.
- 27.12.2. Where a Party takes action under section 27.12.1, it shall promptly report the action taken and the reason for that action to the other Party’s Controlling Authority.

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- 27.12.3. During an emergency or in order to prevent or minimize the effects of an emergency, the Transmitter may interrupt supply to the Customer’s facilities in order to protect the stability, reliability or integrity of the Transmitter’s transmission facilities or to maintain the availability of those facilities. In such a case, the Transmitter shall notify the Customer as soon as possible of the transmission system’s emergency status and of when to expect the resumption of normal operations. The Transmitter shall notify the Customer once the Transmitter determines that the Customer’s facilities may be reconnected. The Customer shall not reconnect its facilities until authorized to do so by the Transmitter.
- 27.12.4. The Customer shall provide to the Transmitter a rotational load-shedding schedule that identifies the loads that may be required to be shed under section 27.12.5. The schedule shall also identify the controllable devices for each such load. The Transmitter may review the rotational load-shedding schedule with the Customer annually or more often if required.
- 27.12.5. Where it is directed to do so by the IESO, the Transmitter’s Controlling Authority shall initiate rotational load shedding in accordance with Schedule A. The Customer shall respond in accordance with Schedule A and shall comply with the Transmitter’s Controlling Authority’s direction to shed load.
- 27.12.6. Where it is directed to do so by the IESO, the Transmitter’s Controlling Authority shall initiate a rotational load shedding simulation in accordance with Schedule A. The Customer shall respond in accordance with Schedule A.
- 27.12.7. In an emergency, the Parties shall communicate in accordance with the communications protocols provided to one another under section 27.4.2.

27.13. Access to and Security of Facilities

- 27.13.1. Each Party shall ensure that its facilities are secure at all times. Where a Party’s facilities are located on the site of another Party, the Parties shall cooperate to ensure the security of those facilities in accordance with section 27.1.1(c).
- 27.13.2. Each Party shall be entitled to access the site or facilities of the other Party at all reasonable times where required in order to carry out work on its facilities or where otherwise permitted or required under this Agreement. Such access shall be effected in accordance with sections 27.13.4 and 27.13.5.
- 27.13.3. Each Party shall, to facilitate the exercise by the other Party of its access rights, provide that other Party with all applicable access procedures, including procedures relating to access codes and keys.
- 27.13.4. Where a Party wishes to exercise its right of access to the site or facilities of the other Party, the accessing Party shall provide reasonable prior notice to the host

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Party of the date, time and location of access and of the nature of the work to be undertaken. Where the accessing Party’s access cannot reasonably be accommodated by the host Party, the Parties shall agree on another date and time for access.

27.13.5. Where a Party is exercising its right of access, the Party shall:

- (a) comply with the obligations set out in section 27.1;
- (b) ensure that any person that will have access to the host Party’s site or facilities has been properly trained;
- (c) comply with the procedures provided to it by the host Party under section 27.13.3;
- (d) not damage or interfere with the host Party’s property (provided that the exercise of the right of access shall not itself be considered interference); and
- (e) not interact with representatives of the host Party other than the person designated for such purpose by the host Party or as may be permitted by that designated person.

27.13.6. Where an accessing Party causes damage to or loss of any property of the host Party, the accessing Party shall promptly notify the host Party. Notwithstanding any provision of section 15, the accessing Party shall pay to the host Party the host Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

27.13.7. Where the property of a Party is on the site of the other Party, the host Party shall not interfere with or cause damage to or the loss of that property. Where the host Party causes such damage or loss, the host Party shall promptly notify the other Party. Notwithstanding any provision of section 15, the host Party shall pay to the other Party the other Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

27.13.8. In addition to the general right of access referred to in section 27.13.2, the Transmitter may access the site or facilities of the Customer in order to ensure that the Customer’s facilities comply with the requirements of this Agreement or for the purpose of investigating a threat or potential threat to the security of the Transmitter’s transmission system. Such right of access shall be exercised in accordance with the provisions of this section 27.13.

27.13.9. Nothing in this section 27.13 shall prevent or restrict a Party from doing any of the following in an emergency or where required to prevent or minimize the effects of an emergency:

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- (a) interfering with the property of the other Party that is on its site; or
- (b) accessing the site of the other Party without notice.

Where a Party takes such action and causes damage to or loss of the property of the other Party, the acting Party shall promptly notify the other Party. Notwithstanding any provision of section 15, the acting Party shall pay to the other Party the other Party’s reasonable costs of repairing such property or, if such property cannot be repaired, of replacing such property.

28. INSPECTION, TESTING, MONITORING AND NEW, MODIFIED OR REPLACEMENT CUSTOMER FACILITIES

28.1. General Requirements

- 28.1.1. The Customer shall inspect, test and monitor its facilities to ensure continued compliance with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1.
- 28.1.2. Where the Transmitter carries out any inspection, testing or monitoring of the Customer’s facilities where required or permitted under this Agreement, the Customer shall pay the Transmitter’s reasonable costs of doing so.

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- 28.1.3. The Transmitter shall inspect, test and monitor its transmission facilities to ensure continued compliance with all applicable instruments and standards referred to in section 4.3.1 of the Code.
- 28.1.4. Each Party shall maintain complete and accurate records of the results of all performance inspection, testing and monitoring that it conducts in fulfillment of its obligations under this Agreement. Such records shall be maintained by each Party for a minimum of seven years or for such shorter time as the Board may permit.
- 28.1.5. Each Party shall, at the request of the other, provide the other Party with the records referred to in section 28.1.4. Without limiting the generality of the foregoing, the Customer shall, at the Transmitter’s request, provide the Transmitter with:
- (a) test certificates certifying that the Customer’s facilities have passed all relevant tests and comply with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1; and
 - (b) copies of any certificates of inspection or other applicable authorizations or approvals received from the Ontario Electricity Safety Authority in relation to the Customer’s facilities.

28.2. New, Modified or Replacement Customer Facilities

- 28.2.1. The Customer shall, at the Transmitter’s request, permit the Transmitter to inspect, test or witness the commissioning of any of the Customer’s new, modified or replacement facilities where the Transmitter reasonably considers that such new, modified or replacement facilities may adversely affect the performance of the Transmitter’s transmission system. The Customer shall pay the Transmitter’s reasonable costs of doing so.
- 28.2.2. Where section 28.2.1 applies, the inspection, testing or commissioning of the Customer’s facilities shall be conducted at a time that is mutually agreed by the Customer and the Transmitter. If the inspection, test or commissioning is required to be rescheduled at the request of a Party or by reason of a Party’s failure to attend, the Party shall, at the request of the other party, pay all reasonable costs incurred by the other Party in respect of the rescheduling of the inspection, testing or commissioning activity.
- 28.2.3. The Customer shall, at the Transmitter’s request, provide the Transmitter with test certificates, including any certificates of inspection or other applicable authorizations or approvals that the Ontario Electrical Safety Authority may have issued, certifying that any of the Customer’s new, modified or replacement facilities have passed the relevant tests and comply with all applicable instruments and standards referred to in paragraphs (a) to (c) of section 24.1. The

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Transmitter may require the provision of these certificates as a condition of connecting any of the Customer’s new, modified or replacement facilities. The Customer acknowledges that the Transmitter cannot, where a connection authorization or other applicable authorization or approval issued by the Ontario Electrical Safety Authority is required in relation to the Customer’s new, modified or replacement facilities, connect such facilities unless that connection authorization has been issued.

- 28.2.4. The Transmitter shall provide to the Customer such technical parameters as may be required to assist the Customer in ensuring that the design of the Customer’s facilities shall be consistent with the requirements applicable to the Transmitter’s transmission system as set out in this Agreement.
- 28.2.5. The Customer shall not make any modifications to its facilities of a type that is specified in section D.2 of Schedule D without the prior approval of the Transmitter.

[Section 28.2.6 and Signature Page Follows]

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28.2.6. Where the Transmitter considers that a type of modification that is not already specified in section D.2 of Schedule D is likely to have a material adverse effect on the Transmitter's transmission facilities, on the facilities of another of the Transmitter's customers or on the facilities of one of the Transmitter's neighbouring Ontario transmitters, the Transmitter shall so notify the Customer. The Parties shall then negotiate in good faith appropriate amendments to section D.2 of Schedule D.

29. COMPLIANCE WITH SCHEDULE ~~M~~K

29.1. The Parties shall comply with their respective obligations under Schedule ~~M~~K.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have caused this Agreement to be executed by their duly authorized representatives.

HYDRO ONE NETWORKS INC.

By: _____

Name:

Title:

I have Authority to bind the Corporation

Editors Note: Complete appropriate signing block information (based on customer type) below and delete unused sections before printing.

[IF A CUSTOMER IS A CORPORATION]

[INSERT FULL LEGAL CORPORATE NAME]

By: _____

Name:

Title:

I have Authority to bind the Corporation

[IF A CUSTOMER IS A LIMITED PARTNERSHIP]

[INSERT FULL LEGAL NAME OF LIMITED PARTNERSHIP] By its General Partner,

[INSERT FULL LEGAL NAME OF GENERAL PARTNER]

By: _____

Name:

Title:

I have Authority to bind the General Partnership.

The General Partnership has Authority to bind the Limited Partnership.

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SCHEDULE A

SINGLE LINE DIAGRAM, DESCRIPTION OF THE CUSTOMER’S CONNECTION POINT(S) AND DETAILS OF SPECIFIC OPERATIONS

A.1. SINGLE LINE DIAGRAM AND CONNECTION POINT(S)

[to be inserted by the Parties]

A.2. LIST OF FACILITIES ON THE PROPERTY OF THE OTHER PARTY

A.2.1. The following Customer facilities are located on the Transmitter’s site:

[to be completed by the Parties]

A.2.2. The following Transmitter’s transmission facilities are located on the Customer’s site:

[to be completed by the Parties]

A.3. TELEPHONE CONTACT

A.3.1. Either Party has the right to change the position designations and telephone numbers listed below with immediate effect at any time by notice in writing delivered to the other Party by fax or other telegraphic means. Any employee of a Party with apparent authority may deliver such a notice to the other Party.

A.4. OWNER AND OPERATING CONTROL

A.4.1. A Party may change its designated controlling authority set out below at any time during the term of the Agreement, subject to the following conditions:

- (a) the Transmitter may change its designated controlling authority only for the Transmitter’s transmission facilities;

Day to Day Operations

For the operation of the Transmitter’s transmission facilities and the Customer’s facilities.

Transmitter

Customer

Operating Contacts:

Position:

Name:

Location:

Phone Number:

Fax Number:

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Outage Planning:

Position:

Name:

Location:

Phone Number:

Fax Number:

Position:

Name:

Location:

Phone Number:

Fax Number:

Position:

Name:

Location:

Phone Number:

Fax Number:

Notes:

Contract Administration for operating services

Transmitter

Customer

Position:

Name:

Location:

Phone Number:

Fax Number:

Position:

Name:

Location:

Phone Number:

Fax Number:

Position:

Name:

Location:

Phone Number:

Fax Number:

A.4. OWNER AND OPERATING CONTROL

A.4.1. A Party may change its designated controlling authority set out below at any time during the term of the Agreement, subject to the following conditions:

- (a) the Transmitter may change its designated controlling authority only for the Transmitter's transmission facilities;
- (b) the Customer may change its designated controlling authority only for the Customer;
- (c) either Party shall notify the other in writing of any change in its designated controlling authority at least ten business days before implementing a change; and
- (d) notification of any changes to the controlling authority shall be exchanged between the Transmitter and the Customer as follows:

Transmitter	The Customer
Director – Transmission Operations Division	General Manager [Appropriate level of Management to be identified by the Customer]
All affected Controlling Authorities and Transmission Operations Management Centre	All affected Controlling Authorities

A.4.2. The Customer:

- (a) owns:
- (b) has operating control of:

A.4.3. The Transmitter:

- (a) owns:
- (b) has operating control of:

A.5. Metering Facilities Diagram

This diagram is based on the protection, control, and metering diagram.

A.6. Normal Operations

This Schedule shall include Customer-specific Information during normal operations.

A.7. Emergency Operations

This Schedule would include Customer specific Information during Emergency operations.

A.8. Re-verification Schedules-Protection and Control (sample only)

A.8.1. A Customer shall re-verify its station protections and control systems that can impact on the Transmitter's transmission system. **The maximum verification or re-verification interval is: four (4) years for most of the 115 kV transmission system elements including transformer stations and transmission lines, and certain 230 kV transmission system elements; and two (2) years for all other high voltage elements. The maintenance cycle can be site specific.**

A.8.2. Customer shall advise the Transmitter at least fourteen (14) business days' notice of its intention to conduct a reverification test, so that the Transmitter's protection and control staff and system performance staff (if required) can observe:

- (a) re-verification of protection equipment settings specified in this Agreement;
- (b) relay recalibration;
- (c) test tripping of station breakers that impact on the Transmitter/Customer interface measurement and analysis of secondary AC voltages and currents to confirm measuring circuit integrity as well as protection directioning; and
- (d) measurement and analysis of secondary AC voltages and currents to confirm measuring circuit integrity.

Note: All tests must be coordinated and approved ahead of time through the normal outage planning process.

A.8.3. The following specific actions are required:

- (a) observe all station protections that trip and open the “enter the devices that interface with the Transmitter” for proper operation; and
- (b) confirm that settings approved by the Transmitter are applied to the following protections:
 - (i) over and under voltage;
 - (ii) transformer differential;
 - (iii) transformer phase and ground backup protection;
 - (iv) line protections;
 - (v) breaker or HVI failure protection; and
 - (vi) transfer and remote trip protections.

A.9. General Protections (sample only)

1. There are no line protections at Site.
2. Transformer faults are cleared by the high voltage (HV) and medium voltage (MV) breakers.
3. The transformer protection sends a block to the Transmitter’s network transformer station or switching station to prevent out of zone tripping.
4. Breaker failure protection sends transfer trip and it is then cascaded to other stations.
5. Under Frequency Load Shedding relays that operate as follows:

[Set out Particulars]

A.10. Telecommunication Facility Details for Protection and Control Applications (sample only)

A.10.1. Telecommunication Medium

The communication medium used will be two (2) leased telephone circuits from Bell Telephone and these circuits are the responsibility of the Customer

A.10.2. Types of Telecommunication Channels

2 Blocking Channels
2 Transfer Trip Channels

A.10.3. Ownership of Telecommunication Terminal Equipment

The terminal equipment located at a given facility is owned by the Customer. The communication medium (leased telephone circuits) is considered to be owned by the Customer. Therefore, the Customer is responsible for the restoration of the failed communication medium.

The terminal equipment located at a switching station is owned by the Transmitter.

A.10.4. Responsibility for Work and Costs Associated with Breakdown and Routine Maintenance

If maintenance is required on the terminal equipment located at the Customer's facility, the Customer will bear all incurred costs.

If maintenance is required on terminal equipment located at sites owned by the Transmitter, the Transmitter will bear all incurred costs.

If maintenance or repair is required on the leased telephone circuits, the Customer will incur all associated costs. These costs will include charges by Bell Telephone and the Transmitter if its personnel are required to participate in any of the related activities.

A.10.5. Reverification Schedule

Routine Maintenance on communication equipment and the communication channels must be performed every two years.

A.10.6.

The provision of spare communication equipment is the Customers' responsibility and will be located at its site.

A.10.7. Failure of Communication Equipment

If a communication failure affects either the transfer trip channels or the blocking channels; the Transmitter will decide whether or not the Customer should remain connected to the high- voltage system. The Transmitter must advise the Customer, through the appropriate communication protocol outlined in this code, of the situation, the choices available to the Customer and the risks involved. Since the Transmitter will take the decision according to its own interests, the Customer can choose to remain or separate from the high-voltage system at its own risk.

A.10.8. Mean Time for Repairs

The mean time for repairs will be within two working days, dependent on the availability of staff of Bell Telephone and the Transmitter.

A.10.9. Provision of Purchase Order by Customer to Transmitter

The Customer will provide the Transmitter's designated leader with a purchase order, so that the Transmitter may apply appropriate charges to the Customer.

A11.1. Scope

A11.1.1 Rotational Load Shedding

This instruction assigns authority and defines responsibilities for manual primary load shedding that may be required to correct abnormal conditions on the IESO-controlled grid or the Transmitter's transmission facilities. Procedures are also outlined for conducting simulation of rotational load shedding.

A11.1.2. Information

From time to time the IESO-controlled grid or the Transmitter's transmission facilities may experience abnormal conditions. To minimize their impact, and to restore and maintain security of operations, prompt control action must be taken. The control actions are numerous and vary according to the abnormal condition.

In extreme situations, the only way to correct abnormal conditions may be to shed primary firm load. Recognizing the impact on the Customer, this control action must be pre-planned as much in advance as possible. Rotational load shedding of primary firm load provides assurance that the abnormal condition will be quickly corrected while allowing for Customer selectivity. The schedule shall comply with the IESO's rules, procedures and policies in effect at the relevant time.

A11.1.3. Response to Controlled Rotational Load Shedding

The request to implement a controlled rotation load shed will be as directed by the IESO and can come from the Transmitter's controlling authority located at the Transmitter's territory operating centre.

The request for implementation will follow this model:

"To comply with directions from the IESO, this is the Transmitter's controlling authority calling. We are currently implementing a rotational load shed. Would you please reduce your load to X MWs. You will be notified when conditions allow you to return to full load."

The Customer's response will follow this model:

"I understand that the Transmitter's controlling authority is implementing a rotational load shed and that I am to reduce load to X MWs. Is that correct?"

The Transmitter's controlling authority will confirm the request.

A11.1.4. Response to Controlled Rotational Load Shedding Simulation

The request to simulate a controlled rotation load shed will be as directed by the IESO and can come from the Transmitter's controlling authority located at the Transmitter's territory operating centre.

The request for simulation will follow this model:

"To comply with directions from the IESO, this is the Transmitter's controlling authority calling. We are currently simulating a rotational load shed. Would you please simulate a load shed of X MWs.

Please inform me of your steps and the actual amount of the simulated load shed you are able to achieve."

The Customer's response will follow this model:

"I understand that the Transmitter Controlling Authority is simulating a Rotational Load Shed and that I am to simulate a load shed of X MWs. Is this correct?"

The Transmitter's controlling authority will confirm the request and both operators will remain on line to review procedure and collect Information.

SCHEDULE B

TRANSMISSION SERVICES AND ASSOCIATED CHARGES

- B.1. This Schedule applies where the Customer's facilities are connected to those of the Transmitter's transmission facilities that form part of the IESO-controlled grid.
- B.2. In this Schedule and in Attachment B1:
- (a) the terms "Delivery Point" and "Network Service" shall have the meaning given to them in the Transmitter's Rate Order; and
 - (b) the terms "Registered Wholesale Meter", "Metering Registry" and "Metering Service Provider" shall have the meaning given to them in the Market Rules.
- B.3. The Customer shall not be entitled to receive, and the Transmitter shall not be required to provide, any transmission services unless the Customer and the Customer's facilities comply with all applicable requirements of this Agreement and with all revenue metering and associated billing and settlement requirements of the Market Rules. Without limiting the generality of the foregoing, the Customer must provide the following information to the Transmitter:
- (a) the identity of each Delivery Point associated with Customer's facilities, including the voltage supply level;
 - (b) a forecast of the Customer's demand at each such Delivery Point; and
 - (c) if applicable, the identity of each generation unit that is embedded relative to the Customer (determined in accordance with section O.1 of Schedule O) and the following information in respect of each such generation unit: (i) installed capacity; (ii) date on which all approvals required for installation of the generation unit were obtained; (iii) technology type; and (iv) fuel or generation source type.
- B.4. Where the Customer wishes to obtain Export Transmission Service, the Customer shall arrange for and obtain that transmission service in accordance with the requirements of the Market Rules.
- B.5. Charges for transmission services provided to the Customer shall be determined and billed in accordance with the Transmitter's Rate Order and the Market Rules.
- B.6. Transmission service charges shall be paid by the Customer to the IESO in accordance with the Market Rules. A dispute related to an amount payable by the Customer to the IESO on account of transmission service charges that is subject to the dispute resolution provisions of the Market Rules shall be resolved in accordance with those provisions. Nothing in this section B.6 shall preclude a Customer from initiating a dispute under this Agreement in relation to the applicability of transmission service charges or the classification of transmission service charges.

- B.7. The Parties may agree to use Attachment B1 or an amended version of Attachment B1 in connection with the payment of transmission service charges.
- B.8. Without limiting the generality of section B.5:
- (a) transmission services shall be charged on the basis of the Delivery Point associated with the Customer's facilities;
 - (b) where there is more than one Delivery Point associated with the Customer's facilities, transmission services shall be charged individually for each Delivery Point (with the result that the Customer's demand at multiple Delivery Points cannot be aggregated);
 - (c) where a Delivery Point associated with the Customer's facilities is also a Delivery Point for the facilities of an affiliate of the Customer, the demand at that Delivery Point may be aggregated if the facilities are on a single site or if the facilities are on adjacent sites owned by the Customer or by the Customer and an affiliate of the Customer; and
 - (d) charges for transmission service shall be calculated after taking account of site-specific losses as determined in accordance with the Market Rules.
- B.9. The Customer shall notify the Transmitter in the event of a material change in any of the information referred to in section B.3 relative to the most recent information provided to the Transmitter.

Attachment B1

Billing for Transmission Service Charges and Designation of Agent (as permitted by section B.7 of Schedule B)

As contemplated in the Transmitter's Rate Order, the IESO will submit invoices for transmission services to market participants that utilize Network Service or Export Transmission Service.

The Market Rules and the Transmitter's Rate Order require that transmission service charges payable by transmission customers shall be collected by the IESO. The billing and settlement processes used by the IESO are designed to collect transmission service charges from entities that are market participants, using meter readings that are totalized and loss adjusted. The Customer shall ensure that any Registered Wholesale Meter used for the purposes of determining transmission service charges payable by the Customer satisfy the wholesale metering requirements and associated obligations specified in Chapter 6 of the Market Rules (including the appendices to that Chapter).

The Customer may wish to designate to another entity that is a market participant (referred to as the "Transmission Customer Agent") the responsibility for paying some or all of the transmission service charges payable by the Customer and the responsibility for satisfying the wholesale metering requirements and associated obligations specified in Chapter 6 of the Market Rules (including the appendices to that Chapter). Any such designation shall be made on the basis of delivery points and associated connection points with respect to which the Customer has transferred the obligations to the Transmission Customer Agent.

Where the Customer wishes to so designate another entity as its Transmission Customer Agent, the Customer and the Transmission Customer Agent shall sign the form set out below and return it to the Transmitter. Once the designation takes effect, the transmission service charges payable by the Transmission Customer Agent will be calculated by the IESO as though the Transmission Customer Agent were the Customer with respect to the designated connection points at the applicable delivery points. Except as otherwise provided in Schedule B, the demand designated to the Transmission Customer Agent by the Customer shall not be aggregated with any demand for which (a) the Customer retains the obligation to pay transmission service charges, (b) the Customer designates the obligation to another entity, or (c) another customer of the Transmitter designates the obligation to the Transmission Customer Agent.

[Transmission Customer Designation Form follows]

Transmission Customer Designation Form

The undersigned Customer hereby transfers to the undersigned Transmission Customer Agent, and the undersigned Transmission Customer Agent hereby assumes and agrees to honour, all

Storage Provider Legal Name. **Site Specific Name**
Hydro One Networks ID xxxxxx – CBR0xxxx

Transmission Connection Agreement
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obligations and responsibilities for each Registered Wholesale Meter and the payment of transmission service charges associated with the connection points listed below. This transfer of obligations and responsibilities is in accordance with Schedule B of the Connection Agreement between the Customer and the Transmitter. The undersigned Transmission Customer Agent hereby agrees to register as a market participant with the IESO and to be subject to all of the requirements of the Market Rules for the purposes of payment of transmission service charges associated with the delivery points and associated connection points listed below. The Customer and the Transmission Customer Agent, as applicable, undertake to notify and oblige their respective Metering Service Provider(s) to ensure that the Metering Registry data maintained by the IESO in accordance with Chapter 6 of the Market Rules (including the appendices to that Chapter) is updated consistent with this designation.

List of delivery points and associated connection points for which obligations and responsibilities are transferred:

Delivery Point	Description of Associated Connection Points

<u>On Behalf of Customer</u>	<u>On Behalf of Transmission Customer Agent</u>
Signed: _____	Signed: _____
Title: _____	Title: _____
Date: _____	Date: _____
Business Name and Address: _____ _____	Business Name and Address: _____ _____

Received by Transmitter [Hydro One Networks Inc.]

Name:

Storage Provider Legal Name. **Site Specific Name**
Hydro One Networks ID xxxxxx – CBR0xxxx

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Title:
Date:

The designation contained herein shall become effective once the Metering Service Provider(s) for the Customer and the Transmission Customer Agent submit(s) the information required in accordance with the change management process for the Metering Registry maintained by the IESO.

SCHEDULE C

CURE PERIODS FOR DEFAULTS

C.1. The Cure Period for a Financial Default shall be:

- (a) seven business days; or
- (b) ten business days, where notice has been given to the Transmitter under section 19.4.1.

C.2. The Cure Period for a Non-financial Default shall depend on the impact of the Non-financial Default, determined by the Non-defaulting Party as follows:

Impact of Default	Description	Cure Period
Safety - Immediate	A Non-financial Default that could result in immediate injury or loss of life (e.g., exposed wires, destroyed station fence, etc.).	Promptly
Safety - Potential	A Non-financial Default that could result in injury or loss of life if a single contingency were to occur (e.g., substandard grounding)	Promptly
Environment B Immediate	A Non-financial Default that could result in immediate adverse effects on land, air, water, plants, or animals	Promptly
Asset Integrity	A Non-financial Default that could adversely affect the ability of an asset to operate within prescribed ratings (voltage, thermal, short circuit) or be maintained to required standards for the purpose of prolonging the lifespan of the asset or satisfying safety or environmental requirements	Promptly
Environmental - Potential	A Non-financial Default that could, if a single contingency were to occur, result in adverse effects on land, air, water, plants, or animals	30 days
Power Quality	A Non-financial Default that could result in a variation in electric power service that could cause the failure or improper or defective operation of end-use equipment, such as voltage sag, overvoltage, transients, harmonic distortion and electrical noise	30 days

C.3. Where a Non-financial Default can have more than one impact and the impacts have different Cure Periods, the shortest of the Cure Periods shall apply.

SCHEDULE D
FAULT LEVELS AND MODIFICATIONS REQUIRING APPROVAL BY THE
TRANSMITTER

D.1. FAULT LEVELS

[to be completed by the Parties and updated as required, using Attachment D1]

D.2. MODIFICATIONS REQUIRING APPROVAL BY THE TRANSMITTER

- D.2.1. In accordance with sections 28.2.5 and 28.2.6, the Customer may not make any material changes, additions, modifications or removals to all or part of its Customer Facilities as defined by the Code that may impact the reliability of the Transmission Facilities owned by the Transmitter without the prior approval of the Transmitter. For example, material changes would be Customer changes that impact load flows and load profiles, power quality, fault levels and protection systems.
-

Attachment D1

Fault Levels (as permitted by section D.1 of Schedule D)

Tariff Delivery Point	Supply Voltage (kV)	Tx Connection Point Number	Tx Connection Point	3 Phase Fault (kA)	LG Fault Level (kA)

The fault level data contained in this table has been derived by the Transmitter using the system information available at this time. Fault levels change continuously because of system conditions e.g. new generator connections, disconnection of load customers, and replacement of high voltage equipment. The Transmitter re-calculates this information annually. The fault level data should not be used in any engineering calculations without the Transmitter's written approval of such use. If the Customer requires fault level data for any specific project or planning application, the Customer should contact their Transmitter Account Executive and/or Planning Officer.

The Customer acknowledges and agrees that if it uses any of the fault level data without Transmitter's consent, the Customer assumes all responsibility and liability for the application to Customer's own operations and facilities; and the Customer further assumes all responsibility and liability for damages to Hydro One's equipment. In addition, the Customer releases, indemnifies and saves harmless the Transmitter from and against any and all damages, losses, costs, or expenses (the "Claims") arising in connection with the Customer's usage of the fault level data without the Transmitter's consent or in relation thereto. For the sake of clarity, and in no way limiting the generality of the foregoing, this release and indemnity expressly includes Claims arising from or caused or contributed to or by the Customer's failure to obtain the Transmitter's consent for the use of the fault level data values in any specific project or planning application.

SCHEDULE E

GENERAL TECHNICAL REQUIREMENTS

1.1 Intentionally left blank.

1.2 Isolation from the Transmission System

- 1.2.1. The Customer shall provide an isolating disconnect switch or device at the point or junction between the Transmitter and the Customer, i.e., at the point of the interconnection, which physically and visually opens the main current-carrying path and isolates the Customer's facility from the transmission system.
- 1.2.2. The isolating disconnect switch shall meet the following criteria:
 - 1.2.2.1. it shall simultaneously open all phases (i.e., group-operated open/close) to the connection;
 - 1.2.2.2. it shall be lockable in the open and closed positions;
 - 1.2.2.3. when the device is used as part of the HVI failure protection system, it shall be motor-operated and equipped with appropriate control circuitry; and
 - 1.2.2.4. it shall be suitable for safe operation under the conditions of use.

1.3 Protection and Control

- 1.3.1. The protection systems, which protect transmission system elements, shall be capable of minimizing the severity and extent of disturbances to the transmission system while themselves experiencing a first-order single contingency such as the failure of a relay protection system to operate or the failure of a breaker to trip. In particular:
 - 1.3.1.1. the elements designated by the Transmitter or the IESO as essential to system reliability and security shall be protected by two protection systems. Each system shall be independently capable of detecting and isolating all faults on those elements. These elements shall have breaker failure protection, but breaker failure protection need not be duplicated. Both protection systems shall initiate breaker failure protection;
 - 1.3.1.2. to reduce the risk of both systems being disabled simultaneously by a single contingency, the protection system designs shall not use components common to the two systems;

- 1.3.1.3. the use of two identical protection systems should be avoided, because it increases the risk of simultaneous failure of both systems due to design deficiencies or equipment problems;
- 1.3.1.4. the protection systems shall be designed to isolate only the faulted element. For faults outside the protected zone, each protection system shall be designed either not to operate or to operate selectively in coordination with other protection systems;
- 1.3.1.5. Customer protection settings for protections affected by conditions on the transmission system shall be coordinated with those of the transmission system;
- 1.3.1.6. protection systems shall not operate to trip for stable power swings following contingencies that are judged by protection system designers as not harmful to the transmission system or its Customers;
- 1.3.1.7. the components and software used in all protection systems shall be of proven quality for effective utility application and following good utility practice;
- 1.3.1.8. critical features associated with the operability of protection systems and the high voltage interrupting device (HVI) shall be annunciated or monitored;
- 1.3.1.9. the design of protection systems shall facilitate periodic testing and maintenance. Test facilities and procedures shall not compromise the independence of the redundant protection systems. Test switches shall be used to eliminate the need to disconnect wires during testing;
- 1.3.1.10. the two protection systems shall be supplied from separate secondary windings of a voltage and current transformer or from separate voltage and current transformers;
- 1.3.1.11. separately fused and monitored DC sources shall be used with the two protection systems. For all Generating Facilities connected to the transmission system, two separate DC station battery banks shall be required to provide the required degree of reliability; and
- 1.3.1.12. protection system circuitry and physical arrangements shall be designed to minimize the possibility of incorrect operations from personnel error.
- 1.3.2. Specific protection and control practices and equipment requirements are set out in Schedule G of this Agreement.
- 1.3.3. Transmitters and Customers should apply protection systems, using the typical tripping matrix for transmission system protection shown in Exhibit E.2, of this Schedule E.

1.4. Insulation Coordination

- 1.4.1. Equipment connected to the transmission system shall be protected against lightning and switching surges. This shall include station shielding against direct lightning strokes, surge protection on all wound devices, and cable/overhead interfaces.
- 1.4.2. A tap connected to a shielded transmission circuit shall also be shielded.
- 1.4.3. The Transmitter shall review surge arrester ratings.
- 1.4.3.1. The Transmitter shall provide all relevant Information, e.g., ratings, to Customers upon request. The Transmitter, however is not responsible for the adequacy of design or correctness of the operation of any equipment or apparatus including the surge arrester(s).

1.5. Grounding

- 1.5.1. Grounding installations shall be capable of carrying the maximum foreseeable fault current, for the duration of such fault currents, without risking safety to personnel that may be present on site when a fault occurs, damage to equipment, or interference with the operation of the transmission system.
- 1.5.2. Each transformer, switching, or generating station shall have a ground grid on which all metallic structures, metallic equipment and non-energized metallic equipment are solidly connected. The size, type and requirements for the ground grid are site-specific, depending on such factors as soil conditions, station size, and short-circuit level.
- 1.5.3. The Transmitter shall review the ground potential rise (GPR) study submitted by the Customer at the Customer's cost. The Customer shall comply with the Bell System Practices as they may be amended or modified from time to time and the IEEE standard 487 as it may be amended or modified from time to time for providing special high-voltage protection devices on metallic communication cables. The Transmitter assumes no responsibility for the adequacy of design or correctness of the operation of any equipment or apparatus associated with the Customer's installation.
- 1.5.4. The placement of any additional grounding points on the transmission system

shall require the approval of the Transmitter. The Transmitter shall give its approval if it is satisfied that the reliability of its transmission system is not affected.

1.6. Telemetry, Monitoring, and Telecommunications

- 1.6.1. Transmitters shall advise Customers of the performance and details of required telemetering facilities that serve them. Some requirements depend on the size and specific location of the connection to the transmission system. As a minimum, telemetry shall be required for the flow of real and reactive power through circuits and transformers, the voltages at selected points, and the status (open or closed) of switching elements.
- 1.6.2. A Transmitter may require a Customer to install monitoring equipment to track the performance of its facilities, identify possible protection system problems, and provide measurements of power quality. The responsibility for costs will be as determined by the Board. As required, the monitoring equipment shall perform one or several of the following functions:
 - 1.6.2.1. sequence of events recording (SER) to record protection related events at a connection;
 - 1.6.2.2. digital fault recording (DFR) to permit analysis of transmission system performance under normal and abnormal conditions; or
 - 1.6.2.3. power quality monitoring (PQM) to record voltage transient surges, voltage sags and swells, voltage unbalance, supply interruptions, frequency variations and other voltage and current waveform monitoring.
- 1.6.3. Customers' telecommunications facilities shall be compatible with those of the Transmitter and have similar reliability and performance characteristics. At the Transmitter's discretion, some or all of the following functions may require telecommunication: protective relaying; system control and data acquisition (SCADA); voice communication; and special protection systems (e.g., generation rejection or runback).
- 1.6.4. Telecommunication facilities, design details, and performance requirements, associated with Customers' facilities, shall be provided at the Customer's expense.
- 1.6.5. The Customer shall bear all costs, without limitation, of providing the same telemetry data required under the Market Rules, associated with its facilities to

the Transmitter and providing all required connection inputs to the Transmitter's disturbance-monitoring equipment, except:

- 1.6.5.1. where the connection inputs to the Transmitter's disturbance-monitoring equipment are of mutual benefit to the Customer and the Transmitter, in which circumstance the Customer and Transmitter shall share the cost of providing the data in proportion to the benefits received; or
- 1.6.5.2. where the connection inputs to the Transmitter's disturbance-monitoring equipment are required only for the Transmitter's benefit, in which case the transmitter shall pay all of the costs associated with providing the data.

1.7. Inspecting and Commissioning Procedures

- 1.7.1. Customers shall ensure that any new or replacement equipment that they own is inspected and tested before initial connection to the transmission system. The initial verification tests shall confirm that the connection of the Customer's facility to the transmission system:
 - 1.7.1.1. does not pose any safety hazards;
 - 1.7.1.2. does not adversely affect operation of the transmission system in a material manner; and
 - 1.7.1.3. does not violate any requirement of the Code or this Agreement.
- 1.7.2. The Transmitter has the right to inspect the Customer's facility and witness commissioning tests related to any new or replacement equipment that could reasonably be expected to adversely affect the transmission system. The initial verification shall include high-voltage interrupting devices, line disconnect switches, the line and bus connections from the dead-end structure to Customer's facility, power transformers, surge arresters, DC batteries, and station service systems, protection, metering, and communication systems. The Customer shall have the right to the inspection reports relating to such facility.
- 1.7.3. The Transmitter assumes no responsibility for the adequacy of design or correctness of the operation of any equipment or apparatus associated with the Customer's installation. The Transmitter shall notify the Customer of its findings regarding any potential problems or limitation of such equipment or apparatus owned by the Customer, without any responsibility.
- 1.7.4. The Customer shall advise the Transmitter of the commissioning program in writing, thirty business days before it proposes to begin the commissioning tests.

The written notice shall include the connection commissioning schedule, the proposed test procedure, the test equipment to be used, and the transmission system conditions required, and also the name of the individual responsible for coordinating the proposed tests on the Customer's behalf.

- 1.7.5. Within fifteen business days of receiving the notice, the Transmitter shall notify the Customer that it:
 - 1.7.5.1. agrees with the proposed connection commissioning program and test procedures; or
 - 1.7.5.2. requires changes in the interest of safety or maintaining the reliability of the transmission system, and that such changes shall be sent to the Customer promptly.
- 1.7.6. If the Transmitter requires changes, then the Parties shall act in good faith to reach agreement and finalize the commissioning program within a reasonable period.
- 1.7.7. The Customer shall submit the results of the commissioning tests to the Transmitter and must demonstrate that all its equipment complies with the Code and this Agreement.
- 1.7.8. If the commissioning test reveals non-compliance with one or more requirements of the Code or this Agreement, the Customer whose equipment was tested shall promptly meet with the Transmitter and agree on a process aimed at achieving compliance.
- 1.7.9. The Transmitter may withhold permission to complete the commissioning and subsequent connection of the Customer to the transmission system if the relevant equipment fails to meet any technical requirement stipulated in the Code or this Agreement.
- 1.7.10. All reasonable costs incurred or associated with Transmitter's witnessing of the verification tests shall be borne by the Customer.

1.8. Procedures for Maintenance and Periodic Verification

- 1.8.1. The Transmitter, using good utility practice, may specify the maintenance criteria and the maximum time intervals between verification cycles for those parts of Customers' facilities that may materially adversely affect the transmission system. The obligations for maintenance and performance re-verification shall be stipulated in the appropriate schedule to this Connection Agreement.
- 1.8.2. Test switches shall be provided to isolate current and potential transformer input to the relays as well as a set of switches to isolate the relays tripping outputs from

the power equipment control circuitry.

- 1.8.3. The reasonable cost of conducting maintenance and verification tests shall be borne by the Customer.
- 1.8.4. The Transmitter may appoint a representative to witness relevant maintenance and verification tests and the Customer shall permit the representative to be present while those tests are being conducted.
- 1.8.5. To ensure that the Transmitter's representative can witness the relevant tests, the Customer shall submit the proposed test procedures and a test schedule to the Transmitter not less than ten business days before it proposes to carry out the test. Following receipt of the request, the Transmitter may delay for technical reasons the testing for as long as ten business days. The Transmitter will use best efforts to make the required test date.
- 1.8.6. The reasonable costs associated with the witnessing of verification tests by the Transmitter's representative shall be borne by the Customer.
- 1.8.7. If a verification test reveals that the electrical equipment or protective relay system covered under the operations schedule does not comply with requirements, the Customer shall:
 - 1.8.7.1. promptly notify the Transmitter of that fact;
 - 1.8.7.2. promptly advise the Transmitter of its proposed remedial steps and its timetable for their implementation;
 - 1.8.7.3. diligently undertake appropriate remedial work and provide the Transmitter with monthly reports on progress; and
 - 1.8.7.4. conduct further tests or monitoring on completing the remedial work, to confirm compliance with the relevant technical requirements.
- 1.8.8. The Transmitter's reasonable costs associated with witnessing the performance tests following remedial work shall be borne by the Customer.
- 1.8.9. Customers shall make their maintenance records and verification test results, including up-to-date as-built drawings, available to the Transmitter upon request.

SCHEDULE E (CONT'D)

Exhibit E.1 Protection System Symbols and Devices

Protection Systems - Symbols and Device Functions







51B	Transformer Phase Backup
50 / 51	Instantaneous / Timed Overcurrent
51V	Voltage Controlled Overcurrent
64	Line Ground Protection
79-25	Synchronizing Relay
A21 / B21	Line Phase Protection - A&B Group
A27 / B27	Undervoltage - A&B Group
A59 / B59	Overvoltage - A&B Group
A64-27 / B64-27	Ground Undervoltage - A&B Group
A64-59 / B64-59	Ground Overvoltage - A&B Group
A81U / B81U	Underfrequency - A&B Group
A81O / B81O	Overfrequency - A&B Group
A87 / B87	Transformer Differential - A&B Group
F	Failure Protection
L1, L2	Supply Line
T1, T2	Power Transformer
RT/TT	Remote or Transfer Trip for HVI Device Failure Protection
	Circuit Breaker
	Circuit Breaker with Reclosure
	HV Interrupting Device a) Circuit Breaker b) Circuit Switcher c) Vacuum Interrupter
	Motor Operated Disconnect Switch
	HV Transformer Bushing
	LV Transformer Bushing

Exhibit E.2 Typical Transmission System Protection Tripping Matrix

The following is a simplified tripping matrix showing the breakers that trip for different protection systems on the transmission system based on a single line supply to a Customer station or a transmitter's tapped transformer station operating, at the high voltage side, above 50kV. The type of Customer (i.e., load or Generator) station configuration and other site-specific factors will influence the desired tripping matrix. The same approach can be applied to large 44-kV developments. In some applications, it may be desirable to trip the MV breaker for Line ZI/T operations instead of the HV Breaker.

	INITIATING PROTECTION							
PROTECTION FUNCTION	LINE ZI	LINE ZT	TTR LOCAL	XFRM	BUS	B/F HV	FRAME LEAK *	B/F MV
TRIP HV BREAKERS	T	T		T	T	T	T	T
HV BREAKER FAILURE	I	I		I	I			
HV AUTO-RECLOSE	C	C		C	C	C	C	C
BREAKERS			T	T	T	T	T	T
MV BREAKER FAILURE			I	I	I		I	
MV AUTO-RECLOSE					C	C	C	C
TTT	S					S	S	
OPEN XVR DISC				I				
TRIP ADJACENT HV ZONES						I		
TRIP ADJACEENT MV ZONES								I

T B trip breakers

I B initiate

C B cancel

S B send signal

HV B high voltage

TTR/T B transfer trip receive/transmit

ZI/T B impedance instantaneous/timed

B/F B breaker failure

MV B medium voltage

* - Frame leakage protection is normally associated with 500kV breakers

All transmission system elements, including breakers, in the zones of protection shall be fitted with redundant protection systems if devices operated at more than 50 kV, except as noted.

All breakers in the zone of protection that includes devices operated at more than 50 kV shall be fitted with the non-redundant breaker failure-protection systems. Transmission system reliability, as determined by the IESO, may require breaker failure protection on the transformer MV breaker.

The Customer must be able to isolate (self-contain) his internal problems without having a major impact on the transmission system. Under certain circumstances, HV breakers may not be

required for load Customer step-down transformers, provided that a motorized disconnect switch and redundant communication channels and paths are provided to isolate the transformer at the terminal stations if a fault occurs in the transformer zone of protection.

Medium-voltage buses require either duplicated differential protection or a single differential protection with an overcurrent backup.

SCHEDULE F

ADDITIONAL TECHNICAL REQUIREMENTS

1.1 Supply Considerations

- 1.1.1 A high-voltage interrupting device (HVI) shall provide a point of isolation for the Customer's Storage Facility from the transmission system. HVIs shall be provided with appropriate back-up protection. The HVI shall be a circuit breaker unless the Transmitter authorizes another device.
- 1.1.2 The HV side of the Customer's transformer shall be protected by surge arresters.
- 1.1.3 All protection systems shall be redundant and be complete with separate trip auxiliary relays and separately fused DC supplies.
- 1.1.4 The standard transformer winding connection is LV delta B HV wye. Any other winding connections shall require the approval of the Transmitter. The Transmitter shall give its approval if it is satisfied that the reliability of its transmission system is not affected.
- 1.1.5 Transmitter approval is required before grounding the neutral of power transformer windings at tapped transmission system stations.

1.2 Typical ~~Generator~~ Protection

- 1.2.1 The typical technical requirements for protection should be followed, as set out in Exhibit E.1 of Schedule E and Exhibits F.1 and F.2 of this Schedule F.
- 1.2.2 The typical protections used are shown in Exhibit F.3 of this Schedule F.

1.3 Protection against Internal Faults

- 1.3.1 The Customer shall provide a protection package to detect and isolate faults on its equipment as required by the Transmitter to respect the stability and reliability of the transmission system, equipment ratings, and safety requirements.
- 1.3.2 Transmission system reliability may require two transformer differential protections (A87, B87) and low-voltage breaker failure protection, as shown in Exhibit F.2 of this Schedule F.
- 1.3.3 When two transformer differential protections are not required, one transformer differential and one overcurrent protection shall suffice. The timing of this overcurrent protection shall not exceed 1.6 seconds. The Customer shall coordinate all its internal overcurrent protections.

1.4 Protection against External Faults

Storage Provider Legal Name. **Site Specific Name**
Hydro One Networks ID xxxxxx – CBR0xxxx

Transmission Connection Agreement
Month 20__

- 1.4.1 The technique used for ground detection varies according to and depends on the type of winding configuration chosen for the power transformer.
 - 1.4.1.1 if the transformer is connected ungrounded wye or delta on the primary, then ground undervoltage (64-27) and ground overvoltage (64-59) protections as shown in Appendix 11 are required to detect ground faults.
 - 1.4.1.2 where the Transmitter has accepted a solidly grounded wye connection on the primary (Yg/D or Yg/Yg), ground overcurrent (64) protection(s) in the transformer neutral may be used to detect ground faults, as shown in Exhibit G.2 of Schedule G.
- 1.4.2 Typical protections that may be installed are: Distance Instantaneous and Timed (21), Phase Directional Overcurrent (67), Voltage Restrained Overcurrent (51V), Overcurrent (50/51), and Undervoltage (27), as shown in Exhibits F.1 and F.2 of this Schedule F.
- 1.4.3 To provide reliable phase-fault detection, the timed distance protection shall overreach the apparent impedance of the transmission line.
- 1.4.4 A remote/transfer trip system may be required to trip one or more breakers at the Customer's Facility (?) or to trip breakers at a remote station.
 - 1.4.4.1 protections that initiate opening of the remote supply breakers on the transmission system shall at the same time initiate opening of the main transformer high-voltage disconnect switch or line disconnect switch.
 - 1.4.4.2 a signal that opens remote breakers on the transmission system shall be automatically removed when the main transformer disconnect switch or line disconnect switch opens. The signal shall only "seal-in" if the disconnect switch fails to open.
 - 1.4.4.3 for DC remote tripping or transfer tripping, the Customer shall provide all necessary equipment associated with two monitored teleprotection channels of adequate conductance between the Customer's station and one of the Transmitter's terminal stations or tapped stations. Normally two circuits in the same cable would be acceptable, but to satisfy transmission system requirements, two separate cables following separate routes may be required. Customers[or should this be Storage Facility?] shall use relays and associated equipment following good utility practice guidelines and are compatible with the Transmitter's remote trip or transfer trip equipment.
- 1.4.5 The protective setting to detect islanding/abnormal condition for smaller Storage Facilities shall be different from that used for larger Storage Facilities.
 - 1.4.5.1 protections that may be required to detect islanding/abnormal conditions include, but are not limited to, Overvoltage (59), Undervoltage (27), Voltage balance (60), Overfrequency (81 O), and Underfrequency (81 U), as shown in Exhibits F.1 and F.2 of this Schedule F.

1.4.5.2 the frequency-protection settings on larger Storage Facility units shall coordinate with the provincial load-shedding system and with requirements of reliability organizations.

1.4.6 Blocking relays (21 BL) with remote signal-sending auxiliaries at the generating station and receiving auxiliaries at the transmission (terminal) station(s) may be required to prevent the Transmitter's distance relays from operating due to faults on the Customer's low-voltage bus. Communication media between the stations, similar to a single remote/transfer trip channel, would then be required for the blocking system, to prevent incorrect relay operation for this condition.

1.5 Autoreclosure and Manual Energization

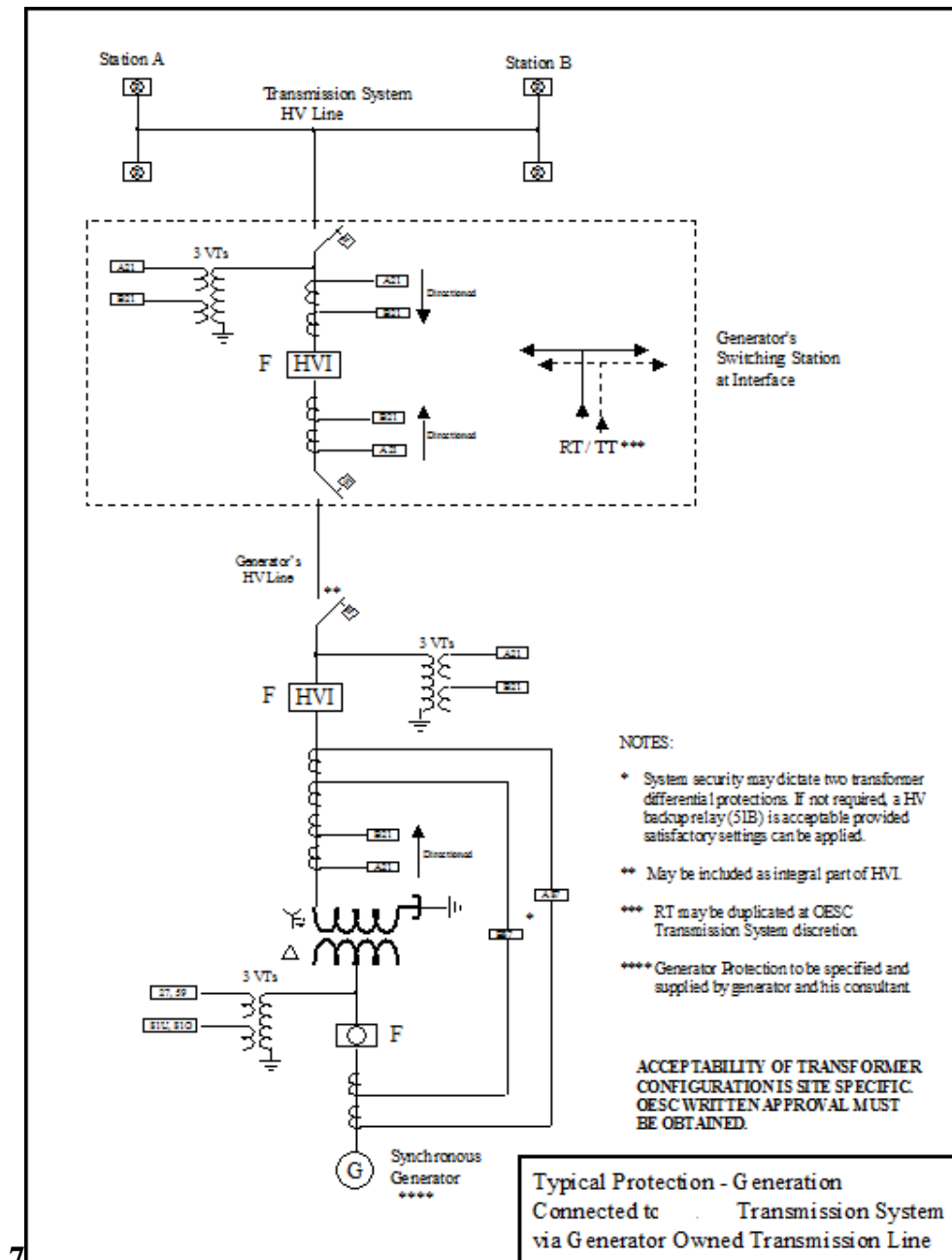
1.5.1 The Customer shall provide suitable equipment to protect its plant and equipment for any conditions on the transmission system such as reclosing, faults, and voltage unbalance.

1.5.2 Following a protection operation on a transmission line, the transmission breakers, located mainly in network switching and/or transformation stations, shall autoreclose after a certain time delay. Where the Customer is directly connected to the transmission line, or for configurations where the Customer could be damaged by autoreclosure of the line, the Customer shall provide a reliable means of disconnecting its equipment before autoreclosure. The Customer is responsible for protecting its own equipment and the Transmitter is not liable for damage to the Customer's equipment except as stipulated in section 15 of the Connection Agreement. The Customer may request a means of supervising the transmission autoreclosure prior to the disconnection of its equipment e.g. changes in protection logic at one or both stations to reduce the risk of such events. The criteria governing the use of reclosures are set out in the Ontario Hydro "Policies, Principles & Guidelines" document "C-3.4.1(R1), Automatic Reclosure and Manual Energization on Bulk System Electricity Circuits", which was in effect as of April 1, 1999.

1.5.3 A Customer's transmission system breaker shall not autoreclose without the Transmitter's approval.

SCHEDULE F (CONT'D)

EXHIBIT F.2 TYPICAL CUSTOMER-OWNED TRANSMISSION LINE PROTECTION REQUIREMENTS



PROTECTION REQUIREMENTS

EXHIBIT F.3

TYPICAL ~~GENERATOR~~ PROTECTIONS

The following are typical Facility protections. The actual ones are to be specified and supplied by the Customer and its consultants. The Transmitter will be interested in the capabilities and settings of the frequency protections and voltage protections. The settings of the frequency protections on large units must comply with NPCC performance requirements. All protections settings must be submitted to the Transmitter and the IESO.

Typical Protections

Thermal Units	Protections	Hydraulic Units	Protections
Differential	A87,B87	Differential	A87,B87SP
Stator Ground	A64N,B64N	Stator Ground	A64N,B64N
Loss of Excitation	A40,B40	Loss of Excitation	B40
Phase Unbalance	A46,B46	Phase Unbalance	A46
Over/under frequency	B81H,B81L	Overvoltage	A59
Over/under excitation	A59H,A59L	Phase Backup	B21B
Out-of-step	B21	Over/under frequency	B81H,B81L
Low Forward Power	A32,B32	Condense-to-Generate	B81-83
Sup Start Phase	A50S		
Sup Start Ground	A64S		
U/F Supervision	A81S		
Speed Switch	A14S		

**SCHEDULE F.1
ADDITIONAL TECHNICAL REQUIREMENTS FOR TAPPED TRANSFORMER
STATIONS SUPPLYING LOAD:**

- (a) Transmitter’s Tapped Transformer Stations; and
- (b) Distributor’s and Consumer’s Tapped Transformer Stations

1.1. Supply Considerations

- 1.1.1 A high-voltage interrupting (HVI) device shall provide clearing of faults in the load Customer’s system. HVIs shall be provided with appropriate back-up protection. The HVI shall be a circuit breaker located at the connection point unless the Transmitter authorizes another device or location.
- 1.1.2. The Transmitter shall determine, in consultation with its Customers, the supply voltage to the Customer. The 115 kV or 230 kV voltage shall be generally used for supply of Customers with a peak demand of 20 MW or more.
- 1.1.3. Tapped transformers of Transmitters, Consumers or Distributors, excluding those that are deemed compliant under section 4.6 of the code, shall have adequate on-load tap-changer or other voltage-regulating facilities to operate continuously within normal variations on the transmission system as set out in the Market Rules and to operate in emergencies with a further transmission system voltage variation of ☐ six per cent (☐ 6%).
- 1.1.4. The neutrals of the power transformer primary windings at transmission system tapped stations are normally not grounded. Transmitters shall approve grounded transformers by exception only.
- 1.1.5. Consumers and Distributors shall participate in load shedding to meet reliability standards.
- 1.1.6. A transmission system breaker of a Consumer or Distributor shall not autoreclose without Transmitter’s approval.
- 1.1.7. A Consumer or a Distributor shall not manually energize a Transmitter’s line without the Transmitter’s approval.
- 1.1.8. To meet the minimum general requirements for all equipment connected to the transmission system, a Customer may have to install any necessary equipment, including, for example, capacitors and filters.

1.2. Protection Requirements

- 1.2.1. The typical technical requirements for Distributor and Consumer protection shall be followed, as presented in Exhibit E.1 of Schedule E and Exhibits F1.1 and F1.2 of this Schedule F.1.1.
- 1.2.2. Line protections are required when transformers connected to separate supply circuits are operated in parallel on the low-voltage side, or if a large synchronous infeed exists at the low-voltage bus.
- 1.2.3. Directional current sensing relays may be required to detect infeed into faults within the transmission system and isolate the Customer’s contribution to the fault. Distance or

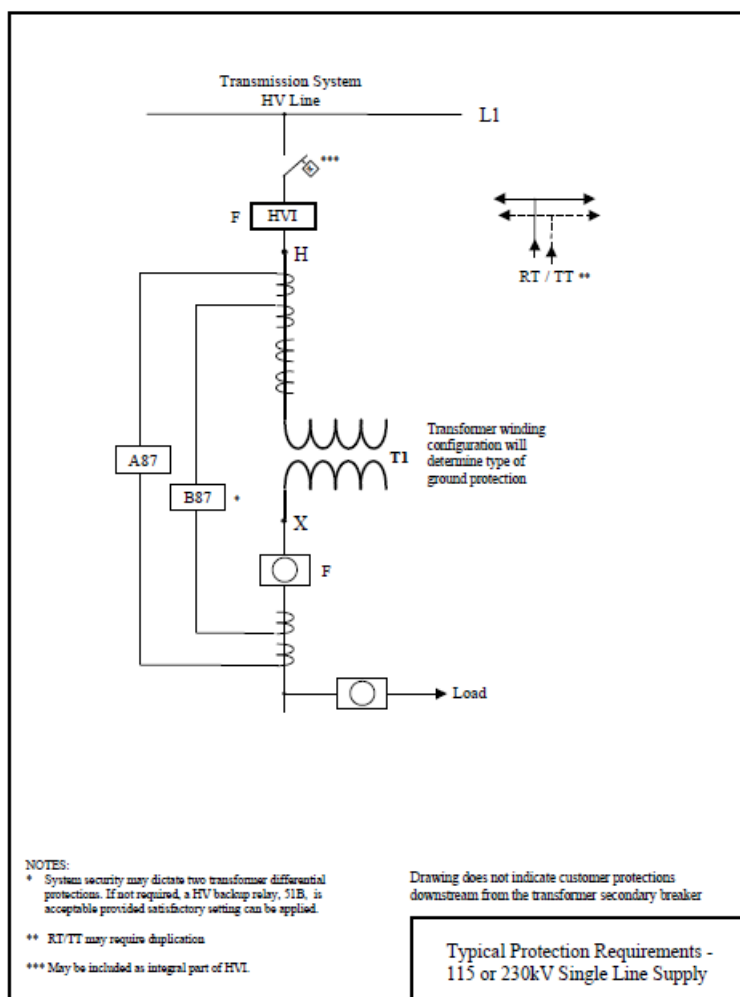
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impedance (21) relays as specified in Exhibit F.2 of this Schedule F.1, usually serve this need.

- 1.2.4. If the transformer is connected ungrounded wye or delta on the primary, then ground undervoltage (64-27) and ground overvoltage (64-59) protections as shown in Exhibit F.2 of this Schedule F.1 are required to detect ground faults.
- 1.2.5. Where the Transmitter has accepted transformers connected wye-grounded on the primary (Yg/D or Yg/Yg), a ground-overcurrent relay (64) as indicated in Exhibit F.1.2 of this Schedule F.1, connected in the transformer neutral, may be used for detection.
- 1.2.6. Where remote/transfer trip circuits are used for transformer faults to trip the Transmitter’s line breakers at the terminal stations, the Customer shall use a motor-operated transformer disconnect switch at its station to provide a point of separation from the transmission system. Energization of remote/transfer trip and opening of the disconnect switch (89) shall be initiated simultaneously from the protection circuits. Full opening of the disconnect switch shall block sending of remote triO.
- 1.2.7. For a DC remote trip on a 115-kV system, the Customer shall provide all necessary equipment associated with one monitored teleprotection channel between its station and one of the supply terminal stations or tapped stations. Industry standard relays and associated equipment that is compatible with the Transmitter’s remote trip equipment shall be used. A 115-kV transfer trip shall have a similar requirement, except that audio-tone equipment shall be used instead of the DC battery voltage.
- 1.2.8. For a DC remote trip on a 230-kV system, the Customer shall provide all necessary equipment associated with two monitored teleprotection channels between its station and one of the supply terminal stations or tapped transformer stations. Normally two circuits in the same cable would be acceptable, but two separate cables going by and following separate routes may be required. The Customer shall use industry standard relays and associated equipment that is compatible with the Transmitter’s remote trip equipment. A 230-kV transfer trip shall have a similar requirement, except that audio-tone equipment shall be used instead of the DC battery voltage.

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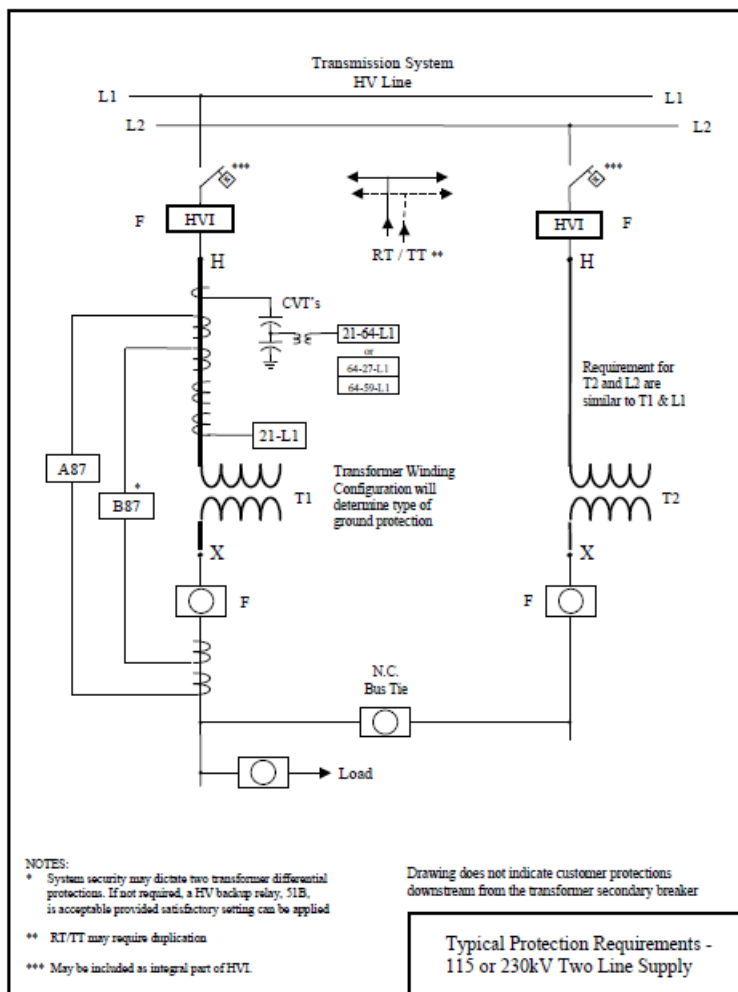
Exhibit F.1 Typical Single-Line Protection Requirements



Any reference to Exhibit F.1 above shall be deemed to be Exhibit F1.1

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Exhibit F.2 Typical Two Line Protection Requirements



[Any reference to Exhibit F.2 shall be deemed to be Exhibit F1.2.](#)

SCHEDULE G

PROTECTION SYSTEM REQUIREMENTS

1.1 Telecommunications

- 1.1.1 The telecommunication facilities, used for protection purposes, shall have a level of reliability consistent with the required performance of the protection system.

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- 1.1.2. The Transmitter shall specify to all customers the telecommunication channel media and protective systems. These requirements apply to the facilities that interface between the Customer and the Transmitter.
- 1.1.3. Telecommunication circuits used for the protection and control of the transmission system shall be dedicated to that purpose.
- 1.1.4. Intentionally left blank.
- 1.1.5. Telecommunication systems shall be:
 - 1.1.5.1. designed to prevent unwanted operations such as those caused by equipment or personnel;
 - 1.1.5.2. powered by the station’s batteries or other sources independent from the power system; and
 - 1.1.5.3. monitored in order to assess equipment and channel readiness.
- 1.1.6. Major disturbances caused by telecommunication failures shall have annual frequency of less than 0.002 per year from the dependability aspect and less than 0.002 per year from the security aspect or as otherwise prescribed by the Transmitter.
- 1.1.7. Telecommunication protection for a single transmission system circuit shall be unavailable for no more than forty two (42) minutes per year, and for two circuits no more than four (4) minutes per year or as otherwise prescribed by the Transmitter.
- 1.1.8. The telecommunication false-trip rate used as part of a protection system for a single transmission system circuit is no more than 0.1 false trips per year, and for two circuits is no more than 0.001 false trips per year unless otherwise prescribed by the Transmitter.
- 1.1.9. Total transmission system circuit trips coincident with telecommunications failure are not more than 0.001 per year unless otherwise prescribed by the Transmitter.

1.2. Test Schedule for Relaying Communication Channels

- 1.2.1. Communication channels associated with protective relaying shall be tested at periodic intervals in accordance with applicable reliability standards to verify that the channels are operational and that their characteristics are within specific tolerances. Testing should include signal adequacy tests and channel performance tests. The transmitter shall establish testing intervals for any communication channels not otherwise subject to reliability standards.

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1.3. Verification and Maintenance Practices

- 1.3.1. Customers shall perform routine verifications of protection systems on a scheduled basis in accordance with applicable reliability standards. The Customer shall establish verification intervals for any protection systems not otherwise covered by the requirements of a reliability organization. The reverification period for those protection systems is to be entered in the agreement and initialed by the parties. The customer shall re-verify after a change is made to an existing protection system.
- 1.3.2. Intentionally left blank.
- 1.3.3. Intentionally left blank.
- 1.3.4. Customers shall ensure that the functional testing of protection and metering can be properly performed and that all verification readings are obtainable.
- 1.3.5. The Transmitter shall co-ordinate the initial verification upon receipt of the approved and final set of drawings. The initial verification shall be used during the final commissioning phase of the station and shall be used as a basis for future periodic verifications.
- 1.3.6. The Transmitter and the Customer shall consult on the functional test procedures. The tests shall not begin until the procedure is accepted by the Transmitter. If they cannot agree, the supply or continuity of supply shall depend on the performance of the tests that the Transmitter shall require.
- 1.3.7. Before the initial functional tests are performed, the Customer shall supply the Transmitter with written documentation that shall readily provide confirmation that appropriate verifications have been completed and that all calibrations, tests, etc., have been performed. For components that may affect the transmission system (such as relays, meters, etc.), the Customer must satisfy the Transmitter that the proper settings have been applied.
- 1.3.8. Customers shall make available to the Transmitter records of relay calibrations and protection verifications, so that records of the facility’s performance can be maintained. The specific records required shall be identified in this Agreement.

1.4. Functional Tests and Periodic Verification

- 1.4.1. Upon verification that the Customer’s static tests on protection and control equipment, outlined in the Code and this Connection Agreement, have been satisfactorily completed, a series of tests shall be performed with the equipment in a dynamic mode. These tests shall ensure that the equipment performs correctly when it should and also that it will not operate improperly.

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- 1.4.2. These tests are here described only in general terms, since the specific tests to be performed will differ depending on the particular station configuration, the components or equipment used, and the design philosophy of the circuitry.
- 1.4.3. For direct current (DC) circuitry checks, the Transmitter shall thoroughly check the logic of the Transmitter’s auxiliary circuitry and the Customer shall thoroughly check the Customer’s auxiliary circuitry with the DC applied and the initiating devices suitably energized to initiate the process. Operation or tripping of any interrupting or isolating devices shall always be verified, as well as local and/or remote annunciation.
- 1.4.4. “On potential” checks shall follow all necessary preliminary procedures. The main equipment shall be energized but not placed on load. The Customer shall check all readings of potentials, including determination of correct phasing/phase rotation. The test must also demonstrate that all equipment performs as expected when energized and is in condition to have primary load applied.
- 1.4.5. Customers shall make “On-Load” checks following the application of appropriate load, voltage, current, phase angle or crossed wattmeter readings at the appropriate instrument transformer outputs or protection input points, to ensure that all quantities are appearing as required with respect to magnitude, phase relation, etc. These checks are to determine that relays are properly connected and that the watt and var checks of all indicating and referenced equipment are correct. At times it may be necessary to repeat some or all tests, e.g., relay performance, using load currents.

1.5. Failure Protection for High-Voltage Interrupting Devices (HVIs)

- 1.5.1. Provisions shall be made to clear the fault in case the HVI fails to isolate the fault. The requirements for HVI failure protection vary depending on the maximum permissible fault duration and the location of the connection on the transmission system. Some portions of the transmission system are designed and operated to more stringent requirements to avoid adversely affecting neighbouring transmission systems.
- 1.5.2. The HVI failure protection will initiate remote or transfer trip circuits and the opening of the motor-operated disconnection switch unless otherwise prescribed by the Transmitter.
- 1.5.3. In portions of the transmission system having less stringent requirements, the HVI failure protection may be achieved by opening the motor-operated disconnect switch. If the disconnect switch experiences a flashover, the line protection at the transmission station(s) shall operate to isolate the fault.
- 1.5.4. Automatic ground switches are not acceptable for any new installations for triggering line protection operation.
- 1.5.5. When circuit switchers are used, the interrupter and disconnect switch shall operate independently. Protections that trip the interrupter shall simultaneously initiate opening of the disconnect switch.

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- 1.5.6. The DC voltage supplied to the interrupter and disconnect switch shall be fed from separately fused and monitored DC supplies: that is, by two (2) DC cables to the control cabinet.

1.6. Instrument Transformers

- 1.6.1. Current transformer output shall remain within acceptable limits for all anticipated fault currents and for all anticipated burdens connected to the current transformer.
- 1.6.2. Current transformers should be connected so that adjacent relay protection zones overlap. Where they do not overlap, the Transmitter may approve alternative mitigation at its discretion.
- 1.6.3. Voltage transformers and potential devices shall have adequate volt-ampere capacity to supply the connected burden while maintaining their accuracy over the specified primary voltage range.
- 1.6.4. For each independent protection system, separate current and voltage transformer or potential device secondary windings shall be used, except on low-voltage devices.
- 1.6.5. Interconnected current transformer secondary wiring and voltage transformer secondaries shall each be grounded at only a single point.

1.7. Battery Banks and Direct Current Supply

- 1.7.1. The Customer shall ensure that if either the battery charger fails or the AC supply source fails, the station battery bank shall have enough capacity to allow the station to operate for at least eight hours for a single battery system or at least six hours for each of the batteries in a two battery system.
- 1.7.2. Critical DC supplies such as relay protection circuits and high voltage interrupters (HVI) shall be monitored and alarmed.
- 1.7.3. For all Storage Facilities connected to the transmission system, two separately protected (fuse/breaker) and monitored DC station battery systems are required unless the Transmitter and the IESO determine otherwise.
- 1.7.4. For tapped transformer stations, one protected (fuse/breaker) monitored DC station battery system is required unless two systems are specified by the Transmitter.
- 1.7.5. Where two battery systems are required, there shall be a battery transfer scheme.
- 1.7.6. Where the use of a single battery system is allowed, the following conditions shall be met:

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- 1.7.6.1. it can be tested and maintained without removing it from service;
- 1.7.6.2. each protection system shall be supplied from physically separated and separately fused direct current circuits; and
- 1.7.6.3. no single contingency other than failure of the battery bank itself shall prevent successful tripping for a fault.

**SCHEDULE H
FACILITIES DEEMED COMPLIANT AND OBLIGATION TO COMPLY**

H.1. IDENTITY OF DEEMED COMPLIANT FACILITIES

H.1.1. The following Customer facilities are deemed compliant in accordance with section 4.6.1 of the Code:

All Customer facilities installed after May 1, 2002.

H.1.2. The following Transmitter’s transmission facilities are deemed compliant in accordance with section 4.6.1 of the Code:

All Transmitter facilities identified in Schedule A of this Agreement.

H.2. COMING INTO COMPLIANCE

H.2.1. The Transmitter may, where the Board has approved its rules and procedures referred to in section 4.6.3 of the Code, require that some or all of the Customer’s facilities to which section 4.6.1 of the Code applies be brought into actual compliance with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2. The Transmitter may impose this requirement in relation to such facilities whether or not they are identified in section H.1.1. The Transmitter may impose this requirement only:

- (a) in relation to that portion of the Customer’s facilities in respect of which the Transmitter has made a determination referred to in section 4.6.2 of the Code; and
- (b) in accordance with the Transmitter’s Board-approved rules and procedures referred to in section 4.6.3 of the Code.

H.2.2. The Customer shall, upon being required by the Transmitter to do so under section H.2.1, bring its facilities into actual compliance with the basic general performance standards and technical requirements set out in the Code, including in Appendix 2, to the extent required by the Transmitter and in accordance with the rules and procedures referred to in section H.2.1(b). Responsibility for the costs of bringing such facilities into actual compliance shall be determined in accordance with the Transmitter’s Board-approved rules and procedures referred to in section 4.6.3 of the Code.

H.2.3. Where Customer facilities are brought into actual compliance under section H.2.2, the Parties shall amend section H.1.1 as required.

H.2.4. Where the Transmitter’s transmission facilities are brought into actual compliance, the Parties shall amend section H.1.2 as required.

SCHEDULE I

EXCHANGE OF INFORMATION

I.1. INFORMATION TO BE PROVIDED BY THE TRANSMITTER

- I.1.1. Subject to section I.1.2, the Transmitter shall, at the Customer’s request, provide the following information to the Customer provided that such information is available at the relevant time:
- (a) feeder amperes per phase;
 - (b) bus voltage;
 - (c) real and reactive power flow per feeder (where available; otherwise per bus level);
 - (d) feeder breaker open/close status;
 - (e) feeder breaker recloser blocked/not blocked status;
 - (f) bus tie breaker open/close status;
 - (g) capacitor bank breaker open/close status; and
 - (h) transformer/bus breaker open/close status.
- I.1.2. The Customer shall be entitled to the information referred to in section I.1.1 only to the extent that:
- (a) the information relates specifically to the connection of its own facilities;
 - (b) the information is relevant to the connection of its own facilities; and
 - (c) the Transmitter is not prohibited by its confidentiality obligations as set out in the Code or its licence from providing that information to the Customer.
- I.1.3. The Transmitter shall provide the Customer with the following additional information:
- (a) at the Customer’s request, a “relay and breaker trip report” for any operation of a breaker or transfer trip relay and that includes the date and time of the breaker or transfer trip operation and reclose or close, the cause of the incident if known and the quantity of load lost;
 - (b) megawatt and megavar readings, excluding revenue-metered quantities; and
 - (c) [any additional information items as determined by the Parties to be required based on site specific considerations]

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I.1.4. A Transmitter may provide information under section I.1.1 or I.1.3 by means of posting the information on a website that is dedicated to the Customer.

I.2. INFORMATION TO BE PROVIDED BY THE CUSTOMER

I.2.1. To the extent that it has not already been provided to the Transmitter, the Customer shall provide the Transmitter with the same technical information provided to the IESO during any connection assessment and facility registration processes associated with the Customer’s facilities or any new, modified or replacement Customer Facilities. Such information shall be provided in the form outlined in the applicable sections on the IESO’s public website.

I.2.2. The Customer shall provide the Transmitter with updated versions of the technical information referred to in section I.2.1 in the event of a material change in such information.

I.2.3. The Customer shall provide the Transmitter with such information as the Transmitter may reasonably require in order to perform a Customer Impact Assessment.

I.2.4. To the extent that it has not already been provided to the Transmitter under another section of this Agreement or is not reasonably expected to already be known by the Transmitter, the Customer shall provide the Transmitter with the date and time at which the Customer’s facilities are connected or reconnected to, or disconnected from, the Transmitter’s transmission facilities.

I.2.5. The Customer shall notify the Transmitter in the event that its facilities are not being operated or maintained in accordance with the requirements of this Agreement.

I.2.6. The Customer shall provide the Transmitter with the following additional information:

- (a) the date and time at which any of the Customer’s supply circuit breakers or high voltage interrupting switches automatically trips;
- (b) information pertaining to the operation of any of the Customer’s automatic protective relays that has an impact on the Transmitter’s transmission facilities;
- (c) changes in the Customer’s operating setup or operating diagrams relative to the information contained in Schedule A or any updates or amendments thereto;
- (d) at the Transmitter’s request, line and load data required for protective relay settings;
- (e) at the Transmitter’s request, protective relay settings on equipment protection systems; and

Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 04-2021]

- (f) at the Transmitter’s request, annual facility performance data as may be required to enable the Transmitter to meet its reporting obligations to any reliability organization.

I.3. INFORMATION TO BE PROVIDED BY EITHER PARTY

I.3.1. Each Party shall provide the other with the following information:

- (a) any temporary or permanent changes in the configuration of the Party’s facilities that may affect the security of those facilities, load distribution, protective relay settings or other parameters;
- (b) details of defective equipment or hazardous conditions that may become known to the Party’s Controlling Authority but not to the Controlling Authority of the other Party;
- (c) planned changes in the Party’s facilities that affect the operation of those facilities; and
- (d) such other information as the other Party may reasonably require for the purpose of fulfilling its obligations under this Agreement.

I.3.2. Where applicable, the Parties shall amend Schedule A to reflect any information provided by a Party to the other under this Schedule.

[SCHEDULE I - ATTACHMENT E FOLLOWS]

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SCHEDULE I - ATTACHMENT E
Facility Registration Equipment Information and Load Data
Utilization of Hydro One Networks Inc. Assumptions and Missing Customer Data in
Schedule I - Attachment E

The Customer shall provide the Transmitter with all outstanding, missing or revised required data designated “R” for Schedule “I” - Attachment E

The Parties acknowledge and agree that if the Transmitter has assisted the Customer in any way in producing or generating, in whole or in part, the Customer Connection Information set out in Schedule “I”, Attachment E by the provision or utilization of any assumptions (the “Assumptions”) or in any other manner, the Transmitter has done so upon the instruction and direction of the Customer. The Customer assumes all responsibility and liability for the truth, accuracy and veracity of the Customer Connection Information, despite the provision of the Assumptions or any other information utilized by the Transmitter in the absence of supplied data, and the Customer releases, indemnifies and saves harmless the Transmitter from and against any and all damages, losses, costs, or expenses (the “Claims”) arising in connection therewith or in relation thereto.

PART A: Generic Information

[This Information is for use by both the Transmitter and the IESO]

Submission Date		
Identification	Market participant identifier	
	Facility identifier	
Service	Initial in-service:	
Dates	Permanent in-service:	
	Permanent out-of-service:	
** Protection System Description (for Transmitters only)	<p>A functional description of all protective systems shall be provided to allow a detailed analysis of all credible contingencies. These descriptions shall include, but are not limited to, the following:</p> <ul style="list-style-type: none"> Operating times for protection components (e.g. primary relaying, auxiliary relaying, communication), General models for normal and delayed (breaker failure) fault clearing, and Exceptions to the general model (e.g. LEO, HIROP). <p>For all recognized contingencies, the functional description must enable fault clearing times at all terminals to be determined for both normal and delayed clearing.</p> <p>This Information is required from Generators and connected wholesale Customers only upon request.</p>	See Schedule A
Parameters and practices for thermal limit calculations	<p>Equipment parameters to enable continuous and limited time ratings to be calculated under prevailing and predicted conditions. All practices that could have a bearing on equipment operation shall be reported. These include but are not (AMPCO) limited to the following:</p> <ul style="list-style-type: none"> ferrous or non-ferrous connectors bolted or not-bolted connections indoor or outdoor locations 	Schedule I, Attachment E, Part F - Equipment Forms
Relay Information	Settings and characteristics to enable relay margin analysis of credible contingencies:	See Schedule A
Detailed Single-Line	A detailed single-line diagram showing equipment and protection and telemetry points	Refer to Part F – Submission Index
Test Results	Copies of all commission tests to all power system components	To be completed later.

******Refer to Schedule I, Attachment E, Part F “Other Data the Customer Must Submit to Transmitter”

Storage Provider Legal Name. **Site Specific Name**
Hydro One Networks ID xxxxxx – CBR0xxxxx

Transmission Connection Agreement
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(Hydro One Networks P&C review of customer TS.)

Notes:

- (1) The Information collected in this Attachment has been taken from the previously executed connection agreement if applicable and IESO's Facility Registration Documentation.
- (2) All Customers are to complete the relevant portions of the following appendices to describe their facilities. Customers also shall provide nameplate data for equipment directly connected to the transmission system upon request.
- (3) Impact Information requirements are intended to describe facilities in enough detail to allow a Connection Agreement to be executed.
- (4) Connection Information requirements are intended to describe facilities in enough detail to allow them to be placed in service.

PART B: Information Concerning Storage Facilities

[This Information is for use by both the Transmitter and the IESO]

Applicable to this Customer's Connection

Unit Data	Identifier						
	Manufacturer						
	Serial Numbers						
	Type (e.g. salient pole, round rotor, induction)						
	Frequency (Hz)						
	NERC Unit type(e.g. Candu, Steam Turbine, Hydraulic Turbine, Wind Turbine)						
	NERC Status						
	NERC Cooling Water Source						
	NERC Fuel Type (primary, alternate)						
	NERC Fuel Transportation (primary, alternate)						
	NERC Capacity (summer, winter)						
	NERC Primary fuel heat rate at full load (BTU/kW/hr)						
	Rated capability (MVA)						
	Rated voltage (kV)						
	Power Factor						
	Total rotational inertia of Generator and turbine (s)						
	Unsaturated reactances in pu on machine base						
	Xd NR X'd NR Xq Missing (H) X'qNR X _{1NR} X ₂ NR X ₀ NR						
	Open circuit time constraints NR						
	T'do T''do T'qo T''qo X ₀						
	Speed (RPM)						
	Station load (MW, Mvar)						
	Minimum power (MW)						
	Normal loading and unloading ramp rates (MW/min)						
	Emergency loading and unloading ramp rates (MW/min)						
	Armature (Ra) and field resistance (Rfd*) (Ω)						
	Saturation at rated voltage (S1.0) and 20% above (S1.2)						
	Rotational inertia for Generator without turbine (s) (required only upon request)						
	Damping						
	Base field current (A)						
Base field voltage (volts)							

Storage Provider Legal Name. **Site Specific Name**
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Characteristics	Losses at 1.0 and 0.9 power factor (MW)		
	Open circuit saturation curve		
	Short circuit curve		
	V curves		
	Capability curve		

*Field resistance for hydraulic units should be specified at 75°C and at 100°C for thermal units.

EXCITATION SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in-service parameter values for the exciter. Models for stabilizers, under-excitation limiters, and over-excitation limiters shall be provided where applicable.	For each unit 10 MVA or larger
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GOVERNOR AND PRIME MOVER SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in service parameters values for the governor and prime mover (turbine). More detailed models would be required if off-nominal frequency or shaft torsional studies are required.	For each unit 10 MVA or larger
--	--------------------------------

Legend:

R = Required

H = Assume

S = Missing

NR = Not required

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Part C: Impact Information Concerning Consumer and Distributor Facilities

Nature of Load	Composition (e.g. % industrial, % commercial, %residential)				
	Requirement for dual supply				
	Description of unusual sensitivity to voltage or frequency fluctuations				
	Description of unusual consequences of power outages				
Power Quality (upon special request)	Harmonics (frequency, magnitude)				
	Flicker (voltage change %, frequency Hz)				
	Phase Imbalance (%)				
	Variable Speed Drives		Demand (kVA)		
	Welding Equipment		Demand (kVA)		
	Static Converters		Demand (kVA)		
	Furnace		Demand (kVA)		
	Other discontinuous or harmonic rich load		Demand (kVA)		
	Capacitors		Demand (kVA)		
	Generators		Total Size (kVA)		
	Existing Motors (≥ 2000 HP)	Type (e.g. squirrel cage, wound rotor, synchronous)			
Rated capability (MVA)					
New Motors (≥ 500 HP)	Rated power factor				
	Starting method (e.g. full-voltage, resistive, reduced voltage, delta-wye)				
	Starts per day				

Connection

Load Shape Generator not Running, acts as load Plus starting motor Load, see curve	Hours	November to April (Winter) Maximum Demand				May to October (Summer) Maximum Demand			
		Weekday		Weekend		Weekday		Weekend	
		MW	Mvar	MW	Mvar	MW	Mvar	MW	Mvar
0-4									
4-8									
8-12									
12-16									
16-20									
20-24									
Induction Motors (≥ 25,000 HP and ≥500 HP per request)	Identifier								
	Rated capability (MVA or HP)								
	Rated power factor								
	Rated torque (per unit on machine base)								
	Rated slip (per unit on machine base)								
	Starting torque (per unit on machine base)								
	Starting current (per unit on machine base)								
	Starting power factor								
	Peak torque (per unit on machine base)								
Synchronous Motors (≥ 2,000 HP and ≥500 HP per request) < 2000 HP ≥ 2000 HP	Identifier								
	Rated output (MVA or HP)								
	X''d (unsaturated subtransient reactance in per unit on machine base)								
	Rotational inertia constant H of motor and load (s)								
	Unsaturated reactances (per unit on machine base)								

Storage Provider Legal Name. **Site Specific Name**
Hydro One Networks ID xxxxxx – CBR0xxxxx

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≥ 2000 HP	$\underline{X_d}$	$\underline{X'_d}$	$\underline{X''_d}$	$\underline{X_q}$	$\underline{X'_q}$	$\underline{X''_q}$	$\underline{X_l}$	$\underline{X_2}$	$\underline{X_0}$
≥ 2000 HP ≥ 2000 HP	Open circuit time constants (s)				$\underline{T'_{do}}$	$\underline{T''_{do}}$	$\underline{T'_{qo}}$	$\underline{T''_{qo}}$	
	Armature resistance (Ra) (per unit on machine base)								

EXCITATION SYSTEM MODEL

A block diagram suitable for stability studies or an IEEE standard model type with all in-service parameter values for the exciter. Models for stabilizers, under-excitation limiters, and over-excitation limiters shall be provided where applicable. For each synchronous motor 10 MVA or larger

PART F: Other Data that the Customer must Submit to Transmitter.

1) *Customer Protection and Control Information*

<u>Equipment Registry Information</u>	<u>NS – TS- P&C</u>
1. Operating diagram with ownership markings	
2. Single line diagram included, showing all protections (3- wire diagram acceptable)	
3. Power transformer nameplate data	
4. Relay settings & verification tests (Schedule I, Attachment E, Part A Generic Info),	
5. HV equipment operating & protection philosophy that are impactful on the Transmitter's transmission system	
6. Tripping Matrix (statements) for protections that are impactful on the Transmitter's transmission system	

Notes: Documents Submitted by Customer

CGS Submission Package Index

	<u>Drawing No. and Sheet No.</u>	<u>Rev.</u>	<u>Description</u>
1.		A	Meter Service Provider Single Line Diagram
2.			
3.			
4.			
5.			
6.			
7.			

**SCHEDULE J
CONTACTS FOR PURPOSES OF NOTICE**

Storage Provider Legal Name. **Site Specific Name**
Hydro One Networks ID xxxxxx – CBR0xxxx

Transmission Connection Agreement
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**Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of
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Customer:

Transmitter:

Hydro One Networks Inc.
Key Account Management
483 Bay Street, TCT13
Toronto, Ontario M5G 2P5

Attention:

Tel:

e-mail:

SCHEDULE K

SPECIAL PROVISIONS

K.1. LIABILITY

- K.1.1. Despite section 15.1.2 but subject to sections K.1.2 and K.1.3, where the Customer uses the Transmitter’s breakers as HV interruption devices or for the purpose of synchronizing the Customer’s facilities to the Transmitter’s transmission system, the Transmitter shall not be liable to the Customer for any damage arising out of such use, even where such damage is arises out of the negligence or willful misconduct of the Transmitter.
- K.1.2. Subject to section K.1.4, where damage occurs to the Customer’s main output transformer (“MOT”) due to the negligence or wilful misconduct of the Transmitter, the Transmitter shall be liable to the Customer in an amount equal to:
- (a) the cost of repairing the MOT; or
 - (b) the cost replacing the MOT,
- whichever is the lower.
- K.1.3. Subject to section K.1.4, where damage occurs to the Customer’s electrical equipment upstream of the Customer’s MOT but within the powerhouse due to the negligence or wilful misconduct of the Transmitter, the Transmitter shall be liable to the Customer in an amount equal to 45% of the Customer’s Party Losses associated with such damage.
- K.1.4. In no event shall the Transmitter be liable to the Customer under section K.1.2 or K.1.3 in an amount greater than \$25 million for any event of negligence or wilful misconduct by the Transmitter. The Parties agree that this limitation of liability applies whether the damage suffered by the Customer is covered under section K.1.2, section K.1.3 or both.
- K.1.5. This section K.1 shall cease to apply in relation to any Party Losses suffered by the Customer that arise out of the negligence or wilful misconduct of the Transmitter on or after the date on which the Customer ceases to use the Transmitter’s breakers as HV interruption devices or for the purposes of synchronizing the Customer’s facilities to the Transmitter’s transmission system.

K.2. CUSTOMER-OWNED BREAKERS

- K.2.1. Within five years of the date of coming into force of this Agreement, the Parties shall conduct and complete studies concerning the installation by the Customer of its own

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breakers for HV interruption and for the purposes of synchronizing the Customer’s facilities to the Transmitter’s transmission system. The Parties shall then determine whether the installation of additional breakers by the Customer is warranted, and shall advise the Board of such determination.

- K.2.2. Responsibility for any incremental costs incurred by the Transmitter as a result of the Customer not having its own breakers for HV interruption or for the purposes of synchronizing the Customer’s facilities to the Transmitter’s transmission system shall be determined by the Board.

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SCHEDULE L

APPLICATION OF TRANSMISSION RATE SCHEDULE

Tariff Delivery Point	Transmission Connection Point Number	Transmission Connection Point	Network Pool Charge	Transformation Connection Pool Charge	Line Connection Pool Charge

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**SCHEDULE M
EMBEDDED GENERATION, BYPASS, ASSIGNED CAPACITY AND TRUE-UPS**

M.1 EMBEDDED GENERATION

- M.1.1 The Transmitter shall, for all purposes, treat a generation facility as embedded generation in relation to the Customer as required by section 11.1.1 or 11.1.2 of the Code.
- M.1.2. The Transmitter shall not, for any purposes, treat a generation facility as embedded generation in relation to the Customer as required by section 11.1.3 or 11.1.4 of the Code.
- M.1.3. The reference to for all purposes in section M.1.1 and to for any purposes in section M.1.2 includes the purpose of determining whether bypass compensation is required to be paid by the Customer and the purpose of determining the manner in which network charges will be applied.

M.2 BYPASS

- M.2.1. Where the Customer disconnects its facilities from the Transmitter’s connection facilities in the circumstances described in section 11.2.1 of the Code, the Customer shall pay bypass compensation to the Transmitter, determined in accordance with section 11.2.1 of the Code.
- M.2.2. The Customer may:
- (a) disconnect its facilities from the Transmitter’s connection facilities for the purpose of subsequently connecting its facilities to its own connection facilities or to connection facilities owned by a person other than the Transmitter; or
 - (b) transfer load from the Transmitter’s connection facilities to its own connection facilities or to connection facilities owned by a person other than the Transmitter.

In such a case and unless section M.2.3 or section 6.7.8 of the Code applies, the Customer shall pay bypass compensation to the Transmitter, determined in accordance with section 6.7.7 of the Code.

- M.2.3. The Customer shall not be required to pay bypass compensation under section M.2.2 in relation to any load that is transferred by the Customer to its own connection facilities or to connection facilities owned by a person other than the Transmitter that:
- (a) would, if it remained on the Transmitter’s connection facilities, overload those facilities beyond their normal supply capacity as determined in accordance with the Board-approved procedure referred to in section 6.2.7 of the Code or, in the absence of such Board-approved procedure, in accordance with section 6.1.8 of the Code; or
 - (b) is new load, determined in accordance with section 3.0.3 of the Code.

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M.2.4. Notwithstanding any other provision of this Schedule M, in no event shall the Transmitter require the Customer to pay any bypass compensation for any reduction in the Customer’s load served by the Transmitter’s connection facilities that the Customer has demonstrated to the reasonable satisfaction of the Transmitter (such as by means of an energy study or audit) has resulted from embedded renewable generation (determined in accordance with section 11.1 of the Code), energy conservation, energy efficiency or load management.

M.2.5. The Customer shall give the Transmitter no less than one years’ notice of the Customer’s intention to bypass the connection facilities of the Transmitter.

M.3. LOAD FORECAST AND CHANGES IN LOAD

M.3.1. Where an economic evaluation was conducted in relation to the connection of the Customer’s facilities, the following shall be set out in Attachment M1:

- (a) the load forecast provided by the Customer that was used for the purposes of that economic evaluation; and
- (b) the Customer’s load shape provided by the Customer, in such detail as to enable the Transmitter to appropriately assess the Customer’s system requirements.

M.3.2. The Customer shall, no later than October 1st of each year, notify the Transmitter of any anticipated material increase or decrease in:

- (a) the Customer’s load in relation to each connection point during the following year; and
- (b) the Customer’s summer peak demand or winter peak demand for each Delivery Point (as defined in Schedule B).

This obligation applies regardless of whether section M.3.1 applies in respect of the Customer. Where this section applies by virtue of the application of section 3.0.7 of the Code, the Customer shall not be required to comply with this obligation until October 1 of the calendar year that commences after the Code revision date.

M.3.3. Where the Customer provides a load forecast for any purpose under this Agreement, the Customer shall ensure that the load forecast is as accurate as possible and reflects, where applicable, reductions in load that are reasonably expected to result from embedded renewable generation (determined in accordance with section 11.1 of the Code), energy conservation, energy efficiency or load management.

M.4. ASSIGNED CAPACITY

M.4.1. The Customer’s assigned capacity on each applicable connection facility shall be determined in accordance with section 6.2.2 of the Code and shall be recorded by the Parties in Attachment M2. The Parties shall update that table from time to time as may be required, and may do so by having the Transmitter post updated versions of the table on a

Schedule “D” to Connection Cost Recovery Agreement (Storage Facility): Form of Connection Agreement for Storage Providers [V1 04-2021]

website dedicated to the Customer.

M.4.2. The Customer’s contracted capacity on each applicable connection facility shall be determined in accordance with section 6.2.3 of the Code.

M.4.3. Where, after the date of coming into force of this Agreement, the Customer requires capacity on the Transmitter’s connection facility to serve load that is new load as determined in accordance with section 3.0.3 of the Code, it shall so notify the Transmitter. Provided that there is available capacity on the applicable connection facility and subject to section M.4.4, the Transmitter shall assign the required capacity to the Customer.

M.4.4. Where the Customer’s request for additional capacity on the Transmitter’s connection facility under section M.4.3 triggers the implementation of the Transmitter’s Board-approved available capacity procedure referred to in section 6.2.11 of the Code, any assignment of available capacity to the Customer shall be determined in accordance with that procedure or, in the absence of such Board-approved procedure, in accordance with section 6.1.8 of the Code.

M.4.5. Subject to section M.4.6, where the Transmitter has assigned capacity on a connection facility to the Customer under section M.4.3 and the Customer has not taken up that additional capacity within one year of the assignment, the Transmitter shall cancel that assignment.

M.4.6. Where the circumstances warrant, the Customer may request an extension of the one-year period referred to in section M.4.5, and the Transmitter shall not unreasonably deny such request. Any dispute arising between the Parties in relation to the extension of such one-year period shall be submitted to the Board for resolution.

M.4.7. Capacity on a connection facility that has been assigned to the Customer shall not be reassigned:

- (a) by the Transmitter without the consent of the Customer except in accordance with the Code; or
- (b) by the Customer except in connection with a change in ownership of the Customer’s facilities.

The Transmitter shall, at the request of the Customer, reassign the Customer’s assigned capacity on a connection facility to reflect a change in ownership of the Customer’s facilities.

M.4.8. Capacity on a connection facility that has been assigned to the Customer shall not be cancelled by the Transmitter without the consent of the Customer except in accordance with section M.4.5.

M.4.9. The Customer shall provide such information and assistance as the Transmitter may reasonably require in relation to the conduct by the Transmitter of an expansion study under

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section 6.2.14 of the Code.

M.5. TRUE-UPS

M.5.1. The Transmitter shall carry out true-up calculations in accordance with section 6.5 of the Code.

M.5.2. For the purposes of enabling the Transmitter to carry out a true-up calculation referred to in section M.5.1, the Customer shall provide the Transmitter with an updated load forecast. The Parties shall amend Attachment J1 to reflect that updated load forecast.

M.5.3. Where the Customer voluntarily and permanently disconnects any facilities from the Transmitter’s facilities prior to the last applicable true-up point determined in accordance with section 6.5.3 of the Code, the transmitter shall at the time of disconnection carry out a final true-up calculation as required by section 6.5.11 of the Code.

M.5.4. Where the Transmitter has carried out a true-up calculation under section M.5.1 or M.5.3:

- (a) the Customer shall make a payment to the Transmitter where the results of the true-up calculation so require as set out in section 6.5.6 or 6.5.11 of the Code; or
- (b) the Transmitter shall credit or rebate an amount to the Customer where the results of the true-up calculation so require as set out in section 6.5.7 or 6.5.11 of the Code.

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**Attachment M1
Customer’s Load Forecast and Load Shape
(as required by section M.3.1 of Schedule M)**

[To be completed by the Parties]

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**Attachment M2
Customer’s Assigned Capacity
(as required by section M.4.1 of Schedule M)**

Tariff Delivery Point	Supply Voltage (kV)	Tx Connection Point Number	Tx Connection Point	Customer=s Assigned Capacity (MW)	Effective Assignment Date	Requested Change in Capacity (MW)	Reservation Dates

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SCHEDULE N

MISCELLANEOUS

Standard Terms and Conditions for Storage Facility Connection Projects

Notes to Comparison Document:

- All references to Customer, Customer Facilities and Customer Connection Work have been changed to Storage Provider, Storage Provider Facilities and Storage Provider Connection Work. These global changes have been accepted for ease of reading.

1. 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 Material contracts or instruments to which it is bound; or (iii) 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 87086-5821 RT0001 and the HST registration number for the CustomerStorage Provider is as specified in Schedule "A" of the Agreement; and
- (g) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution.

Part A:Hydro One Connection Work and CustomerStorage Provider Connection Work

2. The Storage Provider and Hydro One shall perform their respective obligations outlined in the

Agreement in a manner consistent with Good Utility Practice and the Transmission System Code, in compliance with all Applicable Laws, and using duly qualified and experienced people.

3. The parties acknowledge and agree that:

(a) Hydro One is responsible for obtaining any and all permits, certificates, reviews and approvals required under any Applicable Laws with respect to the Hydro One Connection Work and those required for the construction, Connection and operation of the New or Modified Connection Facilities;

(b) the Storage Provider shall perform the Storage Provider Connection Work, at its own expense;

(c) except as specifically provided in the Agreement, the Storage Provider is responsible for obtaining any and all permits, certificates, reviews and approvals required under any Applicable Laws with respect to the Storage Provider Connection Work and those required for the construction, Connection and operation of the Customer'sStorage Provider Facilities ~~including, but not limited to, where applicable, leave to construct pursuant to Section 92 of the Ontario Energy Board Act, 1998;~~

(d) the Storage Provider is responsible for installing equipment and facilities such as protection and control equipment to protect its own property, including, but not limited to the Storage Provider Facilities;

(e) the Storage Provider shall provide Hydro One with Project data required by Hydro One, including, but not limited to (i) the same technical information that the Storage Provider provided the IESO during any connection assessment and facility registration process associated with the Storage Provider Facilities in the form outlined in the applicable sections of the IESO's public website and (ii) technical specifications (including electrical drawings) for the Storage Provider Facilities;

(f) Hydro One may participate in the commissioning, inspection or testing of the Storage Provider Facilities at a time that is mutually agreed by Hydro One and the Storage Provider and the Storage Provider shall ensure that the work performed by the Storage Provider and others

required for successful commissioning, inspection or testing of protective equipment is completed as required to enable Hydro One witnessing and testing to confirm satisfactory performance of such systems;

(g) unless otherwise provided herein, Hydro One's responsibilities under the Agreement with respect to the Connection ~~of the New or Modified Connection Facilities to Hydro One's transmission system~~ shall be limited to the performance of the Hydro One Connection Work;

(h) Hydro One ~~is will~~ not ~~permitted to~~ Connect any new, modified or replacement Storage Provider Facilities unless any 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;

(i) Hydro One may require that the Storage Provider provide Hydro One with test certificates certifying that the Storage Provider 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;

(j) ~~in addition to the Hydro One Connection Work described in Schedule "A",~~ Hydro One shall: provide the Storage Provider with such technical parameters as may be required to assist the Storage Provider in ensuring that the design of the Storage Provider 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; and

(k) if Hydro One requires access to the Storage Provider Facilities for the purposes of performing the Hydro One Connection Work or the Storage Provider requires access to Hydro One's Facilities for the purposes of the Storage Provider Connection Work, the parties agree that Section 27.13 of the Connection Agreement shall govern such access and is hereby incorporated in its 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;

(l) the Storage Provider shall enter into a Connection Agreement with Hydro One or amend its existing Connection Agreement with Hydro One at least 14 calendar days prior to the Connection;

(m) Hydro One shall use reasonable efforts to ensure that any applications required to be filed to obtain any permits or approvals required under Applicable Laws for the Hydro One Connection Work are filed in a timely manner; ~~and~~

(n) the Storage Provider shall use reasonable efforts to ensure that any applications required to be filed to obtain any permits or approvals required under Applicable Laws for the Storage Provider Connection Work or for the construction, Connection and operation of the Storage Provider Facilities are filed in a timely manner; and

(o) as the Storage Facility has attributes associated with a Generation Facility as well as those associated with a load, all of the provisions of the Code and the OEB-approved Connection Procedures that are specific to the Connection of either a Generator (Generation Facility) or a load are deemed to apply to the Storage Provider (Storage Facility).

4. The following aspects of the Hydro One Connection Work and Hydro One's rights and requirements hereunder are solely for the purpose of Hydro One ensuring that the Storage Provider Facilities to be connected to Hydro One's transmission system do 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, Hydro One's:

- (a) specifications of the protection equipment on the Storage Provider's side of the Connection Point;
- (b) acceptance of power system components on the Storage Provider's side of the Connection Point;
- (c) acceptance of the technical specifications (including electrical drawings) for the Storage Provider Facilities and/or the Storage Provider Connection Work; and

- (d) participation in the commissioning, inspection or testing of the Storage Provider Facilities.

The Storage Provider is responsible for installing equipment and facilities such as protection and control equipment to protect its own property, including, but not limited to the Storage Provider Facilities.

5. Hydro One shall use reasonable efforts to complete the Hydro One Connection Work by the Ready for Service Date specified in Schedule "A" provided that:

- (a) the Storage Provider is in compliance with its obligations under the Agreement;
- (b) any work required to be performed by third parties has been performed in a timely manner and in a manner to the satisfaction of Hydro One, acting reasonably;
- (c) there are no delays resulting from Hydro One not being able to obtain outages from the IESO required for any portion of the Hydro One Connection Work or from the IESO making changes to the Hydro One Connection Work or the scheduling of all or a portion of the Hydro One Connection Work;
- (d) Hydro One does not have to use its employees, agents and contractors performing the Hydro One Connection Work or the Network Pool Work elsewhere on its transmission system or distribution system due to an Emergency (as that term is defined in the *Transmission System Code*) or a Force Majeure Event;
- (e) Hydro One is able to obtain the materials and labour required to perform the Hydro One Connection Work with the expenditure of Premium Costs where required;
- (f) where Hydro One needs to obtain leave to construct pursuant to Section 92 of the *Ontario Energy Board Act, 1998*, such leave is obtained on or before the date specified as the Approval Date in Schedule "A" of the Agreement;
- (g) where applicable, Hydro One ~~received~~has obtained all of the easement Land Rights described in Section 24 hereof Schedule "A" by the Easement Dates specified in Schedule "A" of the Agreement and the Storage Provider has provided Hydro One with all of the Land Rights described in Schedule "B" by the dates specified in Schedule "B";
- (h) Hydro One has received or obtained prior to the dates upon which Hydro One requires any or

one or more of the following under Applicable Laws in order to perform all or any part of the Hydro One Connection Work:

- (i) environmental approvals, permits or certificates;
 - (ii) land use permits from the Crown; and
 - (iii) building permits and site plan approvals;
- (i) Hydro One is able, using reasonable efforts, to obtain all necessary ~~land rights on terms substantially similar to the form of the easement that is attached hereto as Appendix "B" of these Standard Terms and Conditions for the Project.~~Land Rights identified in the Hydro One Scope of Work prior to the dates upon which Hydro One needs to commence construction of the Hydro One Connection Work in order to meet the Ready for Service Date;
 - (j) there are no delays resulting from Hydro One being unable to obtain materials or equipment required from suppliers in time to meet the project schedule for any portion of the Hydro One Connection Work provided that such delays are beyond the reasonable control Hydro One; and
 - (k) the Storage Provider executed the Agreement on or before the date specified as the Execution Date.

The Storage Provider acknowledges and agrees that 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.

6. Upon completion of the Hydro One Connection Work:
- (a) Hydro One shall own, operate and maintain all equipment specified in Schedule "A" of the Agreement under the heading "Ownership"; and
 - (b) other than equipment referred to in (a) above that shall be owned, operated and maintained by Hydro One, all other equipment provided by Hydro One as part of the Hydro One Connection Work or provided by the Storage Provider as part of the Storage Provider Connection Work shall be owned, operated and maintained by the Storage Provider.

The Storage Provider acknowledges that:

- (i) ownership and title to the equipment referred to in (a) above shall throughout the Term and thereafter remain vested in Hydro One and the Storage Provider shall have no right of property therein; and
- (ii) any portion of the equipment referred to in (a) above that is located on the Storage Provider's property shall be and remain the property of Hydro One and shall not be or become fixtures and/or part of the Storage Provider's property.

7. The Storage Provider acknowledges and agrees that Hydro One is not responsible for the provision of power system components on the Storage Provider Facilities, including, without limitation, all transformation, switching, metering and auxiliary equipment such as protection and control equipment.

All of the power system components on the Storage Provider's side of the Connection Point including, without limitation, all transformation, switching and auxiliary equipment such as protection and control equipment shall be subject to the acceptance of Hydro One with regard to Hydro One's requirements to permit Connection of the New or Modified Connection Facilities to Hydro One's transmission system, and shall be installed, maintained and operated in accordance with all Applicable Laws, codes and standards, including, but not limited to, the *Transmission System Code*, at the expense of the Storage Provider.

8. Where Hydro One has equipment for automatic reclosing of circuit breakers after an interruption for the purpose of improving the continuity of supply, it shall be the obligation of the Storage Provider to provide adequate protective equipment for the Storage Provider Facilities that might be adversely affected by the operation of such reclosing equipment. The Storage Provider shall provide such equipment as may be required from time to time by Hydro One for the prompt disconnection of any of the Storage Provider's apparatus that might affect the proper functioning of Hydro One's reclosing equipment.

9. The Storage Provider shall provide Hydro One with copies of the documentation specified in Schedule "A" of the Agreement under the heading "Documentation Required", acceptable to Hydro One, within 120 calendar days after the Ready for Service Date. The Storage Provider shall ensure

that Hydro One may retain this documentation for Hydro One's ongoing planning, system design, and operating review. The Storage Provider shall also maintain and revise such documentation to reflect changes to the Storage Provider Facilities and provide copies to Hydro One on demand and as specified in the Connection Agreement.

Part B: Transformation Connection Pool Work and/or Line Connection Pool Work and/or Network Customer Allocated Work

10.1 To the extent that the Pool Funded Cost of the Hydro One Connection Work is not recoverable by Transformation Connection Revenue for the Transformation Connection Pool Work and/or Line Connection Revenue for the Line Connection Pool Work and/or Network Revenue for the Network Customer Allocated Work during the Economic Evaluation Period, the Storage Provider agrees to pay Hydro One a Capital Contribution towards the Pool Funded Cost of the Transformation Connection Pool Work and/or a Capital Contribution towards the Pool Funded Cost of the Line Connection Pool Work and/or a Capital Contribution towards the Pool Funded Cost of the Network Customer Allocated Work and any amounts payable to Hydro One under Subsection 12 (a) (i) hereof.

An estimate of the Engineering and Construction Cost (not including Taxes) of each of the Transformation Connection Pool Work and/or Line Connection Pool Work and/or Network Customer Allocated Work is provided in Schedule "BC" of the Agreement.

An estimate of the Capital Contribution for each of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Customer Allocated Work is specified in Schedule "B" of the Agreement (plus Taxes). The Storage Provider shall pay Hydro One the estimated Capital Contribution(s) in the manner specified in Schedule "BC" of the Agreement.

Within 180 calendar days after the Ready for Service Date, Hydro One shall provide the Storage Provider with a new Schedule "BC" to replace Schedule "BC" of the Agreement attached hereto which shall identify the following:

- (a) the actual Engineering and Construction Cost of the Transformation Connection Pool Work;
- (b) the actual Engineering and Construction Cost of the Line Connection Pool Work;
- (c) the actual Engineering and Construction Cost of the Network Customer Allocated Work;
- (d) the actual Engineering and Construction Cost of the Work Chargeable to Storage Provider;
- (e) the actual Capital Contribution required to be paid by the Storage Provider for each of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Customer Allocated Work; and
- (f) the revised Transformation Connection Revenue and/or Line Connection Revenue requirements and/or Network Revenue requirements based on the Load Forecast or the Adjusted Load Forecast, whichever is applicable.

The new Schedule “BC” shall be made a part hereof as though it had been originally incorporated into the Agreement.

If an estimate of a Capital Contributions paid by the Storage Provider exceeds the actual Capital Contribution required to be paid by the Storage Provider for any or all of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Customer Allocated Work, Hydro One shall refund the difference to the Storage Provider (plus Taxes) within 30 days following the issuing of the new Schedule “C”. If the estimate of a Capital Contribution paid by the Storage Provider is less than the actual Capital Contributions required to be paid by the Storage Provider for any or all of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Storage Provider Allocated Work, the Storage Provider shall pay Hydro One the difference (plus Taxes) within 30 days following the issuing of the new Schedule “BC”.

10.2 Hydro One shall not include the following amounts in the Capital Contributions referenced in Section 10.1, any capital contribution for:

- (a) a Connection Facility that was otherwise planned by Hydro One except for advancement costs;
- (b) capacity added to a Connection Facility in anticipation of future load growth not attributable to the Storage Provider; or

- (c) the construction of or modifications to Hydro One’s Network Facilities that may be required to accommodate the New or Modified Connection other than Network Customer Allocated Work unless Hydro One has indicated in Schedule “A” of the Agreement that exceptional circumstances exist so as to reasonably require the Storage Provider to make a Capital Contribution.

10.3 Notwithstanding Sub-section 10.2(c) above, if Hydro One indicates in Schedule “AC” of the Agreement that exceptional circumstances exist so as to reasonably require the Storage Provider to make a Capital Contribution towards the Network Pool Work, Hydro One shall not, without the prior written consent of the Storage Provider, refuse to commence or diligently perform the Network Pool Work pending direction from the OEB under section 6.3.5 of the *Transmission System Code* provided that the Storage Provider provides Hydro One with a security deposit in accordance with Section 20 of these Standard Terms and Conditions.

Until such time as Hydro One has actually begun to perform the Network Pool Work, the Storage Provider may request, in writing, that Hydro One not perform the Network Pool Work and Hydro One shall promptly return to the Storage Provider any outstanding security deposit related to the Network Pool Work.

10.4 If the Storage Provider has made a Capital Contribution under Section 10.1 hereof for the construction or modification of a Hydro One-owned Connection Facility other than an enabler facility and where this Capital Contribution includes the cost of capacity on the Connection Facility in excess of the Storage Provider’s needs as indicated in Schedule “B” of the Agreement, Hydro One shall provide the Storage Provider with a refund, calculated in accordance with Section 6.3.17A of the *Transmission System Code* if that capacity is assigned to another Load Customer (as that term is defined in the *Transmission System Code*) within fifteen (15) years of the In Service Date of the Connection Facility.

11. Hydro One shall perform a True-Up, based on Actual Load:

- (a) at the True-Up Points specified in Schedule “A” of the Agreement; and

- (b) the time of disconnection where the Storage Provider voluntarily and permanently disconnects the Storage Provider Facilities from Hydro One's transmission facilities and the prior to the final True-Up Point identified in (a) above.

For True-Up purposes, if the Storage Provider does not pay a Capital Contribution, Hydro One shall provide the Storage Provider with an Adjusted Load Forecast.

Hydro One shall perform True-Ups in a timely manner. Within 30 calendar days following completion of each of the True-Ups referred to in 11(a), Hydro One shall provide the Storage Provider with the results of the True-Up.

12(a). If the result of a True-Up performed in accordance with Section 11 above is that the Actual Load and Updated Load Forecast is:

- (i) less than the load in the Load Forecast or the Adjusted Load Forecast, whichever is applicable, and therefore does not generate the forecasted Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue required for the Economic Evaluation Period, the ~~Customer~~Storage Provider shall pay Hydro One an amount equal to the shortfall adjusted to reflect the time value of money within 30 days after the date of Hydro One's invoice therefor; and
- (ii) more than the load in the Load Forecast or the Adjusted Load Forecast, whichever is applicable, and therefore generates more than the forecasted Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue required for the Economic Evaluation Period, Hydro One shall post the excess Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue as a credit to the Storage Provider in a notional account. Hydro One shall apply this credit against any shortfall in subsequent True-Up calculations. Where the Storage Provider paid a Capital Contribution in accordance with Section 10.1 hereof, Hydro One shall rebate the Storage Provider an amount that is the lesser of the credit balance in the notional account adjusted to reflect the time value of money, and the Capital Contribution adjusted to reflect the time

value of money by no later than 30 days following the final True-Up calculation.

~~12(b)~~13. All adjustments to reflect the time value of money to be performed under ~~Subsection~~Section 12(a) above shall be performed in accordance with the OEB-Approved Connection Procedures. As of the date of this Agreement, the time value of money is determined using Hydro One's after-tax cost of capital as used in the original economic evaluation performed in accordance with the requirements of the *Transmission System Code*.

~~13.1 With respect to the installation of embedded generation (as determined in accordance with Section 11.1 of the Transmission System Code) during the applicable True-Up period Hydro One shall comply with the requirements of Section 6.5.8 of the Transmission System Code when carrying out True-Up calculations if the Customer is a Distributor or the requirements of Section 6.5.9 of the Transmission System Code when carrying out True-Up calculations if the Customer is a Load Customer other than a Distributor.~~

~~13.2 With respect to energy conservation, energy efficiency, load management or renewable energy activities that occurred during the applicable True-Up period Hydro One shall comply with the requirements of Section 6.5.10 of the Transmission System Code when carrying out True-Up calculations provided that the Customer demonstrates to the reasonable satisfaction of Hydro One (such as by means of an energy study or audit) that the amount of any reduction in the Customer's load has resulted from energy conservation, energy efficiency, load management or renewable energy activities that occurred during the applicable True-Up period.~~

14. Hydro One shall provide the Storage Provider with all information pertaining to the calculation of all Engineering and Construction Costs, Capital Contributions and True-Ups that ~~the~~any Load Customer is entitled to receive in accordance with the requirements of the *Transmission System Code*.

Part C: Work Chargeable to Storage Provider, Network Pool Work and Premium Costs

15.1 The Storage Provider shall pay Hydro One's Engineering and Construction Cost (plus Taxes) of the Hydro One Connection Work described as

Work Chargeable to Storage Provider in Schedule "A" of the Agreement which is estimated to be the amounts specified in Schedule "BC" of the Agreement in the manner specified in Schedule "BC" of the Agreement.

Hydro One shall identify the actual Engineering and Construction Cost of the Work Chargeable to Storage Provider in the revised Schedule "BC" provided to the Storage Provider in accordance with Section 10.1 of this Agreement. Any difference between the Engineering and Construction Cost of the Work Chargeable to Storage Provider (plus Taxes) and the amount already paid by the Storage Provider shall be paid within 30 days after the issuance of the revised Schedule "BC" by:

- (a) Hydro One to the Storage Provider, if the amount already paid by the Storage Provider exceeds the Engineering and Construction Cost of the Work Chargeable to Storage Provider (plus Taxes); or
- (b) the Storage Provider to Hydro One, if the amount already paid by the Storage Provider is less than the Engineering and Construction Cost of the Work Chargeable to Storage Provider (plus Taxes).

15.2 Subject to Sections 10.3 and 18 hereof, Hydro One shall perform the Hydro One Connection Work described as Network Pool Work in Part 3 of Schedule "A" of the Agreement at Hydro One's sole expense.

16. As the Project is schedule-driven and as the estimated costs specified in Schedule "B" of the Agreement are based upon normal timelines for delivery of material and performance of work, in addition to the amounts that the Storage Provider is required to pay pursuant to Section 10.1 and 15.1 above, the Storage Provider agrees to pay Hydro One's Premium Costs if the Storage Provider causes or contributes to any delays, including, but not limited to, the Storage Provider failing to execute the Agreement by the Execution Date specified ~~in Schedule "A" of the Agreement~~; under the heading "Special Circumstances".

Save and except for the circumstances described in the Agreement under the heading "Special Circumstances", Hydro One shall obtain the Storage Provider's approval prior to Hydro One authorizing the purchase of materials or the

performance of work that attracts Premium Costs. The Storage Provider acknowledges that its failure to approve an expenditure of Premium Costs may result in further delays and Hydro One shall not be liable to the Storage Provider as a result thereof. Hydro One shall invoice the Storage Provider for expenditures of Premium Costs ~~approved by the Customer~~ within 180 calendar days after the Ready for Service Date.

Part D: Right of Storage Provider to By-Pass Existing Load Facilities

17.1 Obligation to Notify Hydro One of Storage Provider's Intent to Bypass an Existing Load Facility: If the Storage Provider chooses to exercise its rights under the *Transmission System Code* and the Agreement to bypass the Existing Load Facility, the Storage Provider shall notify Hydro One, in writing, in accordance with the requirements of Schedule J of the Connection Agreement ~~—prior to transferring load from the Existing Load Facility~~. Upon receiving the notice, Hydro One will proceed in accordance with Section 6.7 of the Transmission System Code and the applicable terms of the Connection Agreement.

17.2 Hydro One has not received a Notice of Storage Provider Intent to Bypass an Existing Load Facility and Storage Provider has Transferred Existing Load: Where Hydro One determines that the Storage Provider has transferred load from the Existing Load Facility without notifying Hydro One in accordance with the requirements of Schedule J of the Connection Agreement, Hydro One will notify the Storage Provider, all Load Customers served by the connection facility and the OEB of a potential by-pass situation in accordance with the OEB-Approved Connection Procedures and its obligations in Section 6.7 of the Code and the applicable terms of the Connection Agreement. If the Storage Provider does not intend to by-pass the Existing Load Facility, the Storage Provider must, in accordance with the OEB-Approved Connection Procedures:

- (a) notify Hydro One and the OEB within 30 days of receiving Hydro One's notification of potential by-pass, that it has no intention of by-passing Hydro One's Existing Load Facility;
- (b) transfer the load back to the Existing Load Facility within an agreed time period; and

(c) compensate Hydro One for the lost revenues.

17.3 The Storage Provider agrees that Sections 17.1 and 17.2 above shall also be terms of the Connection Agreement.

Part E: Cancellation or Termination of Project and Early Termination of Agreement for Breach

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

If the Storage Provider provides written notice to Hydro One that it is cancelling the Project, Hydro One shall have 10 Business Days to provide written notice to the Storage Provider listing the individual items listed as materials which it agrees to purchase. Hydro One shall deduct the actual cost of those individual items of materials being purchased by Hydro One from the Engineering and Construction Costs referred to above.

If Hydro One does not require all or part of the materials, the Storage Provider may exercise any of the following options or a combination thereof:

- (a) where materials have been ordered but all or part of the materials have not been received by Hydro One, the Storage Provider shall have the right to require Hydro One, at the Storage Provider's sole expense, to continue with the purchase of the materials and transfer title to those materials on an "as is, where is basis" to the Storage Provider upon the Storage Provider paying Hydro One's Engineering and Construction Costs (plus Taxes) provided that the Storage Provider exercises this option

within 15 Business Days of the termination or cancellation; or

- (b) where all or part of the materials have been received by Hydro One but have not been installed, the Storage Provider shall have the right to require Hydro One, at the Storage Provider's sole expense, to transfer title to the materials on an "as is, where is basis" to the Storage Provider upon the Storage Provider paying Hydro One's Engineering and Construction Costs (plus Taxes) provided that the Storage Provider exercises this option within 15 Business Days of the termination or cancellation. The Storage Provider shall also be responsible for any warehousing costs associated with the storage of the materials to the date of transfer; or
- (c) where all or part of the materials have been received by Hydro One and have been installed, the Storage Provider shall have the right to require Hydro One, at the Storage Provider's sole expense, to: transfer title to the materials on an "as is, where is basis" to the Storage Provider upon the later of (A) the Storage Provider paying Hydro One's Engineering and Construction Costs (plus Taxes); and (B) the date that Hydro One removes the materials from its property at the risk of the Storage Provider; provided that the Storage Provider exercises this option within 15 Business Days of the termination or cancellation. The Storage Provider shall also be responsible for any Engineering and Construction Costs (plus Taxes) associated with the removal of the materials that have been installed by Hydro One.

The Storage Provider shall pay Hydro One's Engineering and Construction Costs (plus Taxes) which become payable under this Section 18 within 30 calendar days after the date of invoice.

Part F: Sale, Lease, Transfer or Other Disposition of ~~Customer's~~ Facilities Storage Facility

19. In the event that the Storage Provider sells, leases or otherwise transfers or disposes of the Storage Facility to a third party during the Term of the Agreement, the Storage Provider shall cause the purchaser, lessee or other third party to whom the Storage Facility are transferred or disposed to enter

into an assumption agreement with Hydro One to assume all of the Storage Provider's obligations in the Agreement; and notwithstanding such assumption agreement unless Hydro One agrees otherwise, in writing, the Storage Provider shall remain obligated under Sections 10.1, 12, 15.1 and 16 hereof. The Storage Provider further acknowledges and agrees that in the event that all or a portion of the Storage Facility is shut down, abandoned or vacated for any period of time during the Term of the Agreement, the Storage Provider shall remain obligated under Sections 10.1, 12, 15.1 and 16 for the said time period.

Part G: Security Requirements

20. If Hydro One requires that the Storage Provider furnish security, which at the Storage Provider's option may be in the form of cash, (by way of a certified cheque, bank draft or wire transfer), letter of credit that meets the meet the Letter of Credit Requirements or surety bond, the Customer that meets the Surety Bond Minimum Requirements, the Storage Provider shall furnish such security in the amount and by the dates specified in Schedule "AC" of the Agreement.

If a Security Deposit provided in the form of a letter of credit or a surety bond shall not expire until the date specified in Schedule "C". If a letter of credit or surety bond has an earlier expiry date, Hydro One may draw down on the letter of credit or surety bond not more than 60 days prior to the expiry date and treat the amount drawn as a cash deposit.

Hydro One shall return the security deposit to the Customer~~Storage Provider~~ as follows:

- (a) security deposits in the form of cash shall be returned to the Storage Provider, together with Interest, less the amount of any Capital Contribution owed by the ~~Customer once the Customer's~~Storage Provider upon the later of the date that the Storage Provider Facilities ~~are being~~ connected to Hydro One's New or Modified Connection Facilities and any Capital Contribution(s) have been paid under Section 10.1 hereof; and
- (b) security deposits in any other form shall be returned to the ~~Customer once the Customer's~~Storage Provider upon the later of the

date that the the Storage Provider Facilities are connected to Hydro One's New or Modified Connection Facilities and any Capital Contribution(s) have has been paid under Section 10.1 hereof.

Notwithstanding the foregoing, Hydro One may keep all or a part of the security deposit: (a) where and to the extent that the Storage Provider 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.

Part H: Disputes

21. 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 Storage Provider 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.

22. If a dispute arises while Hydro One is constructing the New or Modified Connection Facilities, Hydro One shall not cease the work or slow the pace of the work without leave of the OEB.

23. Hydro One shall refund to the Storage Provider or the Storage Provider 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 Storage Provider or should have been allocated to the Storage Provider 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. This obligation shall survive the termination of this Agreement.

Part I: ~~Easement~~Land Rights

~~24. If specified in Schedule "A" that an easement(s) is~~ Any Land Rights required from the Customer, the Customer shall grant an easement to by Hydro One substantially in the form of the easement attached hereto as Appendix "B" of these Standard Terms and Conditions for the property(ies) described as Hydro One Connection Work are identified in Schedule "A" of the Agreement (if the Land Rights are to be obtained from third parties) and specified in Schedule "B" of the Agreement (where Hydro One requires Land Rights from the Storage Provider). The acquisition of Land Rights includes acquiring the Easement Lands in Schedule "A" on or before the date specified as the Easement Date in Schedule "A" (hereinafter referred to as the "Easement") with good Land Rights and marketable title any approvals related thereto, free of all encumbrances, (e.g. municipal consents for access and access or entry permits).

With respect to the acquisition of Land Rights, including, the addition of lands to Hydro One's Provincial Master Land Use Permit, the Engineering and Construction 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).

The Storage Provider acknowledges and agree sthat Hydro One shall only compensate third parties for Land Rights on commercially reasonable terms that are consistent with Hydro One's land acquisition policies.

If specified in Schedule "B" that the Storage Provider is required to provide Hydro One with the Land Rights described in Schedule "B" of the Agreement, the Storage Provider shall provide such Land Rights in accordance with the requirements of Schedule "B" including, without limitation, by the dates specified therein and such Land Rights shall be first in priority except as noted herein, and therein, in registerable form, in- and provided to Hydro One with nominal consideration of the sum of \$2.00.

Part J: Events of Default

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

- (a) failure by the Storage Provider to pay any amount due under the Agreement, including any amount payable pursuant to Sections 10.1, 12, 15.1, 16 or 18 within the time stipulated for payment;
- (b) breach by the Storage Provider or Hydro One of any Material term, condition or covenant of the Agreement; or
- (c) the making of an order or resolution for the winding up of the Storage Provider or Hydro One or of their respective operations or the occurrence of any other dissolution, bankruptcy or reorganization or liquidation proceeding instituted by or against the Storage Provider or Hydro One.

For greater certainty, a dispute shall not be considered an Event of Default under this Agreement. However, a Party's failure to comply, within a reasonable period of time, with the terms of a determination of such a dispute by the OEB or with a decision of a court of competent jurisdiction with respect to a determination made by the OEB shall be considered an Event of Default under the Agreement.

26. Upon the occurrence of an Event of Default by the Storage Provider hereunder (other than those specified in Section 25(c) of the Agreement, for which no notice is required to be given by Hydro One), Hydro One shall give the Storage Provider written notice of the Event of Default and allow the Storage Provider 30 calendar days from the date of receipt of the notice to rectify the Event of Default, at the Storage Provider's sole expense. If such Event of Default is not cured to Hydro One's reasonable satisfaction within the 30 calendar 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 Storage Provider at least 10 calendar days' prior written notice thereof, recover, as liquidated damages and not as a penalty, the following:

- (a) the sum of the amounts payable by the Storage Provider pursuant to Sections 10.1, 12, 15.1 and where applicable, Section 16 less any amounts already paid by the Storage Provider in accordance with Section 10.1, 12, 15.1 and 16 if this clause is invoked after the In-Service Date; or
- (b) the amounts payable under Section 16 and 18 less any amounts already paid by the Storage Provider in accordance with Sections 10.1, 15.1 and 16 if this clause is invoked prior to the In-Service Date.

27. Upon the occurrence of an Event of Default by Hydro One hereunder (other than those specified in Section 25(c), the Storage Provider shall give Hydro One written notice of the Event of Default and shall allow Hydro One 30 calendar 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 Storage Provider's reasonable satisfaction within the 30 calendar day period, the Storage Provider may pursue any remedies available to it at law or in equity, including at its option the termination of the Agreement.

28. All rights and remedies of Hydro One and the Storage Provider 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 Storage Provider respectively at law or in equity, and any one or more of Hydro One's and the Storage Provider'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 Storage Provider may have or may not 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.

Part K: Changes to Transmission Rates

29. In the event that the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate is rescinded or the methodology of determination or components is materially changed, the Parties agree

to negotiate a new mechanism for the purposes of the Agreement, provided that such new mechanism will not result in an increase in the amounts of Capital Contribution or Security Deposits payable by the Storage Provider to Hydro One hereunder. The Parties shall have 90 calendar days from the effective date of rescission or fundamental change of the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate to agree to a new mechanism that is, to the extent possible, fair to the parties and constitutes a reasonably comparable replacement for the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate. If the Parties are unable to successfully negotiate a replacement within that 90 calendar day period, this shall be considered a dispute under the terms of this Agreement and the parties shall follow the dispute resolution procedure set out in the OEB-Approved Connection Procedures.

Any settlement on a new mechanism pursuant to this Section 29 shall apply retroactively from the date on which the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate was rescinded or fundamentally changed. Until such time as a new mechanism is determined hereunder, any amounts to be paid by the Storage Provider under the Agreement shall be based on the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate in effect prior to the effective date of any such changes.

Part L: Incorporation of Liability and Force Majeure Provisions

30. PART III: LIABILITY AND FORCE MAJEURE (with the exception of Section 15.5 thereof) 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.

For the purposes of this Section 30, the Parties agree that the ~~reference~~references in PART III: LIABILITY AND FORCE MAJEURE to:

- (a) the Transmitter in lines 3 and 4 of Section 15.1 of the Connection Agreement means the Transmitter or any party acting on behalf of the Transmitter such as contractors, subcontractors, suppliers, employees and agents; and
- (b) the Storage Provider in lines 3 and 4 of Section 15.2 of the Connection Agreement means the Storage Provider or any party acting on behalf of the Storage Provider such as contractors, subcontractors, suppliers, employees and agents.

Part M: Confidential Information

31. 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 Storage Provider’s Confidential Information in the circumstances described in Section 4.7.2 of the Transmission System Code.

Part N: General

~~3432.~~ 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~~respect to the Connection of the Storage Facility to the transmission system, on the same subject matter, the Connection Agreement governs.

~~3233.~~ The failure of either 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 either 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.

~~3334.~~ Other than as specifically provided in the Agreement, 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.

~~34. Any written notice required by the Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Hydro One Networks at 483 Bay Street, 8th Floor, South Tower, Toronto, ON M5G 2P5, fax no: (416) 345-6972 on behalf of Hydro One, and to the person at the address specified in Schedule "A" of the Agreement on behalf of the Customer. A faxed notice shall be deemed to be received on the date of the fax if received before 3 p.m. on a business day or on the next business day if received after 3 p.m. or a day that is not a business day. 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.~~

35. The Agreement 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.

~~36. The Agreement 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.~~

~~37.~~ Storage Provider shall provide Hydro One with a copy of the Storage Provider's final monthly bills associated with the transmission of electricity from the Existing Load Facilities and/or the Storage Provider Facilities or authorize the IESO to provide Hydro One with same. Hydro One agrees to use this information solely for the purpose of the Agreement.

3837. Invoices and Interest: 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.

~~3938.~~ The obligation to pay any amount due hereunder, including, but not limited to, any amounts due under Sections 10.1, 12, 15.1, 16, 18 or 23 shall survive the termination of the Agreement.

Appendix “A”: Definitions

In the Agreement, unless the context otherwise requires, terms which appear therein without definition, shall have the meanings respectively ascribed thereto in the *Transmission System Code* and unless there is something in the subject matter or context inconsistent therewith, the following words shall have the following meanings:

“**Actual Load**” means the actual load delivered by Hydro One to the ~~Customer~~Storage Provider up to the True-Up Point in excess of the Normal Capacity of the Existing Load Facilities.

“**Assigned Capacity**” is calculated in accordance with Section 6.2.2 of the *Transmission System Code*.

“**Adjusted Load Forecast**” means a Load Forecast that has been adjusted to the point where the present value of the Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue equals the present value of the Pool Funded Cost of the Transformation Connection Pool Work and/or the Pool Funded Cost of the Line Connection Pool Work and/or the Pool Funded Cost of the Network Customer Allocated Work.

“**Agreement**” means the Connection Cost Recovery Agreement, Schedules “A” and “B” attached thereto and these Standard Terms and Conditions.

“**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, court authority or agency.

“**Approval Date**” means for the purpose of Subsection 5(f) of the Terms and Conditions, the date specified in Schedule “A” of the Agreement.

“**Capital Contribution**” means a capital contribution calculated using the economic evaluation methodology set out in 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**” has the same meaning ascribed to the term “Connect” in the *Transmission System Code*.

“**Connection Agreement**” means ~~the form of a~~ connection agreement ~~appended for Storage Facilities substantially in the form of the connection agreement attached~~ to the *Transmission System Code Agreement* as ~~Appendix 1, Version 1, Schedule “D”~~.

“**Connection Facilities**” has the meaning set forth in the *Transmission System Code*.

“**Connection Point**” has the meaning set forth in the *Transmission System Code* and for this project, is as specified in Schedule “A” of the Agreement.

~~“**Customer Connection Work**” means the work to be performed by the Customer, at its sole expense, which is described in Schedule “A” of the Agreement.~~

~~“**Customer Connection Risk Classification**” is as specified in Schedule “A” of the Agreement.~~

~~“**Customer’s Facilities**” has the meaning set forth in the *Transmission System Code*, and includes, but is not limited to any new, modified or replaced Customer’s Facilities.~~

~~“**Customer’s Property(ies)**” means any lands owned by the Customer in fee simple or where the Customer has easement rights.~~

~~“**Distributor**” has the meaning set forth in the *Transmission System Code*.~~

“**Economic Evaluation Period**” means the period of five (5) years for high risk connection, ten (10) years for a medium-high risk connection, fifteen (15) years for a medium-low risk connection and twenty-five years for a low risk connection commencing on the In Service Date whichever is

applicable to the Storage Provider as specified in Schedule “AC” of the Agreement.

“**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.

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

“**Existing Load**” in relation to the Storage Provider and each of the Existing Load Facilities is equal to the Storage Provider’s Assigned Capacity at each of the Existing Load Facilities on the date of this Agreement.

“**Existing Load Facility or Existing Load Facilities**” means the connection facility(ies) owned by Hydro One as specified in the Existing Load Table in Schedule “AC” of the Agreement where the Storage Provider has Existing Load.

“**Force Majeure Event**” has the meaning ascribed thereto in the Connection Agreement.

“**HST**” means the Harmonized Sales Tax.

“**Hydro One Connection Work**” means the work to be performed by Hydro One, ~~which is~~ described in Schedule “A” of the Agreement.

“**Hydro One Facilities**” means Hydro One’s structures, lines, transformers, breakers, disconnect switches, buses, voltage/current transformers, protection systems, telecommunication systems, cables and any other auxiliary equipment used for the purpose of transmitting electricity.

“**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.

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

“**In Service Date**” has the same meaning ascribed to the term “comes into service” in the *Transmission System Code*.

“**Incremental Network Load**” means the ~~Customer’s~~Storage Provider’s New Load less the amount of load, if any, that has been by-passed by the ~~Customer~~Storage Provider at any of Hydro One’s connection facilities.

“**Interest**” means the interest rates specified by the OEB to be applicable to security deposits in the form of cash as specified in Subsection 6.3.11(b) in the *Transmission System Code*.

“**Land Rights**” means any one or more of the following real estate rights/land agreements and any approvals required by Hydro One related thereto (e.g. municipal consents for access and access or entry permits) that are required for all or any part of the Hydro One Connection Work:

- (i) a grant(s) of easement in gross substantially in the form of the Grant of Easement in Gross attached to the Agreement as Schedule “E” from the registered owner(s) of the Easement in Gross Lands for the Easement in Gross Term to be obtained by the date specified as the Easement in Gross Date, with the Easement in Gross Lands, Easement in Gross Term and the Easement in Gross Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (ii) an access easement substantially in the form of the Access Easement attached to the Agreement as Schedule “F” from the registered owner(s) of the Access Easement Lands for the Access Easement Term to be obtained by the date specified as the Access Easement Date, with the Access Easement Lands, Access Easement Term and the Access Easement Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable. All municipal consent(s) and approvals for any access road easements required by Hydro One for all or any part of the Hydro One Work must also be obtained 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 is described in s. 50(3) of the Act and therefore is exempt from the municipal consent process, in such a case, Hydro One will need to either (a) secure municipal consent for the access road or (b) obtain a letter from the municipality 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 substantially in the form of the Early Access Agreement attached to the Agreement as Schedule “G” from the registered owner(s) of the Early Access Lands to be obtained by the date specified as the “Early Access Execution Date” with the Early Access Lands and the Early Access Execution Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (v) an Off-Corridor Access Agreement is required substantially in the form of the Off-Corridor Access Agreement attached to the Agreement as Schedule “H” from the registered owner(s) of the Off-Corridor Access Lands to be obtained by the date specified as the “Off-Corridor Access Execution Date” with the Off-Corridor Access Lands and the Off-Corridor Access Execution Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (vi) a Construction Staging and Stringing Area Agreement is required substantially in the form of the Construction Staging and Stringing Area Agreement attached to the Agreement as Schedule “I” from the registered owner(s) of the Construction Staging and Stringing Area Land(s) to be obtained by the date specified as the Construction Staging and Stringing Area Execution Date with the Construction Staging and Stringing Area Land(s) and the Construction Staging and Stringing Area Execution Date being specified in Schedule “A” of the Agreement;
- (vii) ownership/fee simple rights are required, Hydro One will enter into an Agreement of Purchase and Sale with the registered owner(s) of the “Lands to be Acquired” substantially in the form of the Agreement of Purchase and Sale attached to the Agreement as Schedule “J” for consideration that is consistent with Hydro One’s land acquisition policies with a closing date that is not to be later than the date specified as the “Closing Date” with the Lands to be Acquired and the Closing Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (viii) where all or any part of the Hydro One Work is to be located on Crown land (MNR), Hydro One will need to obtain a Work Permit/Letter of Authority from the Ministry of Natural Resources (MNR) by no later than the date specified in Schedule “A” as the “Date Work Permit/Letter of Consent Required” to allow Hydro One to construct the portion of the Hydro One Connection Work to be located on the Crown land and add same to Hydro One’s Provincial Master Land Use Permit;
- (ix) approvals from pipelines and/or railway companies are required, Hydro One will secure such approvals from the pipeline companies and/or railway companies listed in Schedule “A” of the Agreement as the “Affected Pipeline/Railway Companies” (including, but not limited to performing any necessary studies to obtain same) by the Railway/Pipeline Approval Date specified in Schedule “A”;
- (x) consultations with third party encumbrancers are required, Hydro One shall consult with such third party encumbrancers to ensure that no project delays are experienced by Hydro One; and
- (xi) confirmation of Hydro One’s rights to use an existing (Unopened) road allowance is required, to all or any portion of the Hydro One Connection Work Hydro One shall obtain written confirmation from the municipality that Hydro One has all necessary rights and permission to construct and to access all or any portion of a transmission line being built by Hydro One along the unopened road allowance described as the Unopened Road Allowance Lands in Schedule “A”.

“Letter of Credit” means a letter of credit that meets all of the following requirements:

- (a) is issued by a bank listed in Schedule I or II of the *Bank Act* (Canada) (“**Bank**”);
- (b) allows for presentment in Toronto, Ontario or presentment using a valid fax number where the Bank does not have a branch in Toronto, Ontario;
- (c) has an expiry date that is acceptable to Hydro One;
- (d) provides that any notice that the Bank does not wish to extend the letter of credit for any additional period of expiry must be provided, in writing, to Hydro One Networks Inc., 483 Bay Street, 7th Floor, South Tower, Toronto, Ontario M5G 2P5 Attn: Treasurer at least sixty (60) days prior to any expiration date;
- (e) permits partial drawings and multiple presentations;
- (f) provides that drawings will be paid on written demand without the issuing Bank enquiring whether Hydro One has a right as between itself and the Storage Provider to make such demand, and without recognizing any claim of the Storage Provider;
- (g) only requirement to be met in order to draw on the letter of credit is that Hydro One present the letter of credit and a certificate stating that the amount demanded is payable to Hydro One by the Customer pursuant to the terms of the Connection and Cost Recovery Agreement made between Hydro One Networks Inc. and the Storage Provider, as it may be amended by the Storage Provider and Hydro One from time to time;
- (h) provides that banking charges and commissions associated with the letter of credit are payable by the Storage Provider;
- (i) subject to the International Standby Practices “ISP 98” ICC Publication no. 590 (“**ISP 98**”);
- (j) provide that notwithstanding ISP 98, in the event that the original of the letter of credit is lost, stolen, mutilated or destroyed, the Bank will agree to replace same upon written notice from Hydro One setting out the circumstances;
- (k) provides that matters not expressly covered by ISP 98, will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (l) any dispute or claim shall be submitted to the exclusive courts within the jurisdiction of the Province of Ontario.

“Line Connection Pool Work” means the Hydro One Connection Work specified in Schedule “A” of the Agreement under the heading “Line Connection Pool Work”.

“Line Connection Revenue” means the amount of line connection revenue attributable to that part of the Storage Provider’s New Load to be received by Hydro One through the monthly collection of the Line Connection Service Rate during the Economic Evaluation Period.

“Line Connection Service Rate” means the line connection service rate approved by the OEB in Hydro One’s Rate Order from time to time, or any mechanism instituted in accordance with Section 29.

~~**“Load Customer”** has the meaning set forth in the *Transmission System Code*.~~

“Load Forecast” means the initial load forecast of the New Load in excess of the Normal Capacity of the Existing Load Facilities used in the initial economic evaluation for the Economic Evaluation Period.

“Material” relates to the essence of the contract, more than a mere annoyance to a right, but an actual obstacle preventing the performance or exercise of a right.

“Network Customer Allocated Work” means the construction of or modifications to Network Facilities specified in Schedule “A” of the Agreement under the heading “Network Customer Allocated Work” that are minimum connection requirements.

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

“Network Pool Work” means the Hydro One Connection Work specified in Schedule “A” of the Agreement under the heading “Network Pool Work”.

“Network Revenue” means the amount of network revenue attributable to the Incremental Network Load to be received by Hydro One through the monthly collection of the Network Service Rate during the Economic Evaluation Period.

“Network Service Rate” means the network service rate approved by the OEB in Hydro One’s Rate Order from time to time, or any mechanism instituted in accordance with Section 29.

“New Load” means the load at the New or Modified Connection Facility that is in excess of, for each of the Existing Load Facilities, the lesser of the Existing Load or the Normal Capacity.

“New or Modified Connection Facilities” means the facilities owned by Hydro One as specified in Schedule “A” of the Agreement.

“Normal Capacity” means, where the ~~Customer~~Storage Provider is:

- (a) the only Load Customer supplied by an Existing Load Facility, the total normal supply capacity of the Existing Load Facility as determined in accordance with the OEB-Approved Connection Procedures; and
- (b) one of two or more Load Customers served by an Existing Load Facility, the ~~Customer’s~~Storage Provider’s pro-rated share of the total normal supply capacity of the Existing Load Facility as determined in accordance with the OEB-Approved Connection Procedures.

“OEB” means the Ontario Energy Board.

“OEB-Approved Connection Procedures” means Hydro One’s transmission connection procedures as approved by the OEB from time to time.

“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.

“Pool-Funded Cost” means the present value of the Engineering and Construction Cost and projected on-going maintenance and other related incremental costs (including, but not limited to applicable taxes, and net of tax benefits), of each of the Transformation Connection Pool Work, the Line Connection Pool Work and/or the Network Customer Allocated Work calculated in accordance with the principles, criteria and methodology set out in Appendices 4 and 5 of the Transmission System Code.

“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.

“Rate Order” has the meaning ascribed thereto in the *Transmission System Code*.

“Ready for Service Date” means the date upon which the Hydro One Connection Work is fully and completely constructed, installed, commissioned and energised to the Connection Point. The Storage Provider’s disconnect switches must be commissioned prior to this date in order to use them as isolation points.

“Risk Classification” is as specified in Schedule “C” of the Agreement.

“Standard Terms and Conditions” means these Standard Terms and Conditions for ~~Transmission~~CustomerStorage Facility Connection Projects and ~~Appendices~~Appendix “A” and ~~“B”~~ attached ~~hereto~~thereto.

“Storage Facility” means a facility that once connected to a Transmission System is capable of withdrawing electrical energy from the Transmission System (i.e. charging), and then storing such energy for a period of time, and then re-injecting only such energy back into the Transmission System, minus any losses (i.e. discharging).

“Storage Provider Connection Work” means the work to be performed by the Storage Provider, at its sole expense, which is described in Schedule “B” of the Agreement.

“Storage Provider Facilities” means any and all equipment, elements, and facilities of any kind whatsoever owned by a Storage Provider that are relevant to a Connection, and includes, but is not limited to the Storage Facility and any new, modified or replaced Storage Provider Facilities.

“Storage Provider’s Property(ies)” means any lands leased or owned in fee simple by the Storage

Provider or lands where the Storage Provider has easement rights.

“Surety Bond Requirements” means a surety bond that meets all of the following requirements:

- (a) is in a form that is satisfactory to Hydro One;
- (b) surety must be Canadian;
- (c) surety must be financially acceptable to Hydro One must have at, a minimum, a long-term credit rating of “A” from a bond-rating agency acceptable to Hydro One;
- (d) provides that fees, charges and commissions associated with the surety bond, including drawings therefrom, are payable by the Storage Provider;
- (e) allows for presentment in Toronto, Ontario or presentment using a valid fax number where the surety does not have a branch in Toronto, Ontario;
- (f) has an expiry date that is acceptable to Hydro One;
- (g) provides that any notice that the surety does not wish to extend the surety bond for any additional period of expiry must be provided, in writing, to Hydro One Networks Inc., 483 Bay Street, 7th Floor, South Tower, Toronto, Ontario M5G 2P5 Attn: Treasurer at least 60 days prior to any expiration date;
- (h) permit partial drawings and multiple presentations;
- (i) provide that drawings will be paid without the surety enquiring whether Hydro One has a right as between itself and the Storage Provider to make such demand, and without recognizing any claim of the said Storage Provider;
- (j) only requirement to be met in order to draw on the surety bond is that Hydro One present a certificate certifying that the amount demanded is payable to Hydro One by the Storage Provider pursuant to the terms of the Connection Cost Recovery Agreement made between the Storage Provider and Hydro One, as it may be amended by the Storage Provider and Hydro One from time to time;
- (k) will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and

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

“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).

“Transformation Connection Pool Work” means the Hydro One Connection Work ~~specified~~described in Schedule “A” of the Agreement under the heading “Transformation Connection Pool Work”.

“Transformation Connection Revenue” means the amount of transformation connection revenue attributable to that part of the Storage Provider’s New Load to be received by Hydro One through the monthly collection of the Transformation Connection Service Rate during the Economic Evaluation Period.

“Transformation Connection Service Rate” means the line connection service rate approved by the OEB in Hydro One’s Rate Order from time to time, or any mechanism instituted in accordance with Section 29.

“Transmission System Code” or “Code” means the code of standards and requirements issued by the OEB on July 25, 2005 that came into force on August 20, 2005 as published in the Ontario Gazette, as it may be amended, revised or replaced in whole or in part from time to time.

“Transmitter’s Facilities” has the meaning ascribed thereto in the *Transmission System Code*.

“True-Up” means the calculation to be performed by Hydro One, as a transmitter, at each True-Up Point in accordance with the requirements of Subsection 6.5.4 of the *Transmission System Code*.

“True-Up Point” means the points of time based upon the Storage Provider’s Risk Classification when Hydro One is required to perform a True-Up as described in Section 11 of these Terms and Conditions.

“Updated Load Forecast” means the load forecast of the New Load in excess of the Normal Capacity

of the Existing Load Facilities for the remainder of the Economic Evaluation Period.

“**Work Chargeable to ~~Customer~~Storage Provider**” means the Hydro One Connection Work ~~specified~~described in ~~Part 4 of~~ Schedule “~~AB~~” of the Agreement under the heading “Work Chargeable to Storage Provider”.

Standard Terms and Conditions for Storage Facility Connection Projects

1. 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 Material contracts or instruments to which it is bound; or (iii) 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 87086-5821 RT0001 and the HST registration number for the Storage Provider is as specified in Schedule "A" of the Agreement; and
- (g) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution.

Part A: Hydro One Connection Work and Storage Provider Connection Work

2. The Storage Provider and Hydro One shall perform their respective obligations outlined in the Agreement in a manner consistent with Good Utility Practice and the Transmission System Code, in compliance with all Applicable Laws, and using duly qualified and experienced people.

3. The parties acknowledge and agree that:

(a) Hydro One is responsible for obtaining any and all permits, certificates, reviews and approvals required under any Applicable Laws with respect to the Hydro One Connection Work and those required for the construction, Connection and operation of the New or Modified Connection Facilities;

(b) the Storage Provider shall perform the Storage Provider Connection Work, at its own expense;

(c) except as specifically provided in the Agreement, the Storage Provider is responsible for obtaining any and all permits, certificates, reviews and approvals required under any Applicable Laws with respect to the Storage Provider Connection Work and those required for the construction, Connection and operation of the Storage Provider Facilities;

(d) the Storage Provider is responsible for installing equipment and facilities such as protection and control equipment to protect its own property, including, but not limited to the Storage Provider Facilities;

(e) the Storage Provider shall provide Hydro One with Project data required by Hydro One, including, but not limited to (i) the same technical information that the Storage Provider provided the IESO during any connection assessment and facility registration process associated with the Storage Provider Facilities in the form outlined in the applicable sections of the IESO's public website and (ii) technical specifications (including electrical drawings) for the Storage Provider Facilities;

(f) Hydro One may participate in the commissioning, inspection or testing of the Storage Provider Facilities at a time that is mutually agreed by Hydro One and the Storage Provider and the Storage Provider shall ensure that the work performed by the Storage Provider and others required for successful commissioning, inspection or testing of protective equipment is completed as required to enable Hydro One witnessing and testing to confirm satisfactory performance of such systems;

(g) unless otherwise provided herein, Hydro One's responsibilities under the Agreement with

respect to the Connection shall be limited to the performance of the Hydro One Connection Work;

(h) Hydro One will not Connect any new, modified or replacement Storage Provider Facilities unless any 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;

(i) Hydro One may require that the Storage Provider provide Hydro One with test certificates certifying that the Storage Provider Facilities have passed all relevant tests and comply with 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;

(j) Hydro One shall: provide the Storage Provider with such technical parameters as may be required to assist the Storage Provider in ensuring that the design of the Storage Provider 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; and

(k) if Hydro One requires access to the Storage Provider Facilities for the purposes of performing the Hydro One Connection Work or the Storage Provider requires access to Hydro One's Facilities for the purposes of the Storage Provider Connection Work, the parties agree that Section 27.13 of the Connection Agreement shall govern such access and is hereby incorporated in its 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;

(l) the Storage Provider shall enter into a Connection Agreement with Hydro One or amend its existing Connection Agreement with Hydro One at least 14 calendar days prior to the Connection;

(m) Hydro One shall use reasonable efforts to ensure that any applications required to be filed to obtain any permits or approvals required under

Applicable Laws for the Hydro One Connection Work are filed in a timely manner;

(n) the Storage Provider shall use reasonable efforts to ensure that any applications required to be filed to obtain any permits or approvals required under Applicable Laws for the Storage Provider Connection Work or for the construction, Connection and operation of the Storage Provider Facilities are filed in a timely manner; and

(o) as the Storage Facility has attributes associated with a Generation Facility as well as those associated with a load, all of the provisions of the Code and the OEB-approved Connection Procedures that are specific to the Connection of either a Generator (Generation Facility) or a load are deemed to apply to the Storage Provider (Storage Facility).

4. The following aspects of the Hydro One Connection Work and Hydro One's rights and requirements hereunder are solely for the purpose of Hydro One ensuring that the Storage Provider Facilities to be connected to Hydro One's transmission system do 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, Hydro One's:

- (a) specifications of the protection equipment on the Storage Provider's side of the Connection Point;
- (b) acceptance of power system components on the Storage Provider's side of the Connection Point;
- (c) acceptance of the technical specifications (including electrical drawings) for the Storage Provider Facilities and/or the Storage Provider Connection Work; and
- (d) participation in the commissioning, inspection or testing of the Storage Provider Facilities.

The Storage Provider is responsible for installing equipment and facilities such as protection and control equipment to protect its own property, including, but not limited to the Storage Provider Facilities.

5. Hydro One shall use reasonable efforts to complete the Hydro One Connection Work by the

Ready for Service Date specified in Schedule “A” provided that:

- (a) the Storage Provider is in compliance with its obligations under the Agreement;
- (b) any work required to be performed by third parties has been performed in a timely manner and in a manner to the satisfaction of Hydro One, acting reasonably;
- (c) there are no delays resulting from Hydro One not being able to obtain outages from the IESO required for any portion of the Hydro One Connection Work or from the IESO making changes to the Hydro One Connection Work or the scheduling of all or a portion of the Hydro One Connection Work;
- (d) Hydro One does not have to use its employees, agents and contractors performing the Hydro One Connection Work or the Network Pool Work elsewhere on its transmission system or distribution system due to an Emergency (as that term is defined in the *Transmission System Code*) or a Force Majeure Event;
- (e) Hydro One is able to obtain the materials and labour required to perform the Hydro One Connection Work with the expenditure of Premium Costs where required;
- (f) where Hydro One needs to obtain leave to construct pursuant to Section 92 of the *Ontario Energy Board Act, 1998*, such leave is obtained on or before the date specified as the Approval Date in Schedule “A” of the Agreement;
- (g) where applicable, Hydro One has obtained all of the Land Rights described in Schedule “A” by the dates specified in Schedule “A” and the Storage Provider has provided Hydro One with all of the Land Rights described in Schedule “B” by the dates specified in Schedule “B”;
- (h) Hydro One has received or obtained prior to the dates upon which Hydro One requires any or one or more of the following under Applicable Laws in order to perform all or any part of the Hydro One Connection Work:
 - (i) environmental approvals, permits or certificates;
 - (ii) land use permits from the Crown; and
 - (iii) building permits and site plan approvals;
- (i) Hydro One is able, using reasonable efforts, to obtain all necessary Land Rights identified in the Hydro One Scope of Work prior to the dates upon which Hydro One needs to commence construction of the Hydro One Connection

Work in order to meet the Ready for Service Date;

- (j) there are no delays resulting from Hydro One being unable to obtain materials or equipment required from suppliers in time to meet the project schedule for any portion of the Hydro One Connection Work provided that such delays are beyond the reasonable control Hydro One; and
- (k) the Storage Provider executed the Agreement on or before the date specified as the Execution Date.

The Storage Provider acknowledges and agrees that 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.

6. Upon completion of the Hydro One Connection Work:

- (a) Hydro One shall own, operate and maintain all equipment specified in Schedule “A” of the Agreement under the heading “Ownership”; and
- (b) other than equipment referred to in (a) above that shall be owned, operated and maintained by Hydro One, all other equipment provided by Hydro One as part of the Hydro One Connection Work or provided by the Storage Provider as part of the Storage Provider Connection Work shall be owned, operated and maintained by the Storage Provider.

The Storage Provider acknowledges that:

- (i) ownership and title to the equipment referred to in (a) above shall throughout the Term and thereafter remain vested in Hydro One and the Storage Provider shall have no right of property therein; and
- (ii) any portion of the equipment referred to in (a) above that is located on the Storage Provider’s property shall be and remain the property of Hydro One and shall not be or become fixtures and/or part of the Storage Provider’s property.

7. The Storage Provider acknowledges and agrees that Hydro One is not responsible for the provision of power system components on the Storage Provider Facilities, including, without limitation, all transformation, switching, metering

and auxiliary equipment such as protection and control equipment.

All of the power system components on the Storage Provider's side of the Connection Point including, without limitation, all transformation, switching and auxiliary equipment such as protection and control equipment shall be subject to the acceptance of Hydro One with regard to Hydro One's requirements to permit Connection of the New or Modified Connection Facilities to Hydro One's transmission system, and shall be installed, maintained and operated in accordance with all Applicable Laws, codes and standards, including, but not limited to, the *Transmission System Code*, at the expense of the Storage Provider.

8. Where Hydro One has equipment for automatic reclosing of circuit breakers after an interruption for the purpose of improving the continuity of supply, it shall be the obligation of the Storage Provider to provide adequate protective equipment for the Storage Provider Facilities that might be adversely affected by the operation of such reclosing equipment. The Storage Provider shall provide such equipment as may be required from time to time by Hydro One for the prompt disconnection of any of the Storage Provider's apparatus that might affect the proper functioning of Hydro One's reclosing equipment.

9. The Storage Provider shall provide Hydro One with copies of the documentation specified in Schedule "A" of the Agreement under the heading "Documentation Required", acceptable to Hydro One, within 120 calendar days after the Ready for Service Date. The Storage Provider shall ensure that Hydro One may retain this documentation for Hydro One's ongoing planning, system design, and operating review. The Storage Provider shall also maintain and revise such documentation to reflect changes to the Storage Provider Facilities and provide copies to Hydro One on demand and as specified in the Connection Agreement.

Part B: Transformation Connection Pool Work and/or Line Connection Pool Work and/or Network Customer Allocated Work

10.1 To the extent that the Pool Funded Cost of the Hydro One Connection Work is not recoverable by Transformation Connection Revenue for the Transformation Connection Pool Work and/or Line

Connection Revenue for the Line Connection Pool Work and/or Network Revenue for the Network Customer Allocated Work during the Economic Evaluation Period, the Storage Provider agrees to pay Hydro One a Capital Contribution towards the Pool Funded Cost of the Transformation Connection Pool Work and/or a Capital Contribution towards the Pool Funded Cost of the Line Connection Pool Work and/or a Capital Contribution towards the Pool Funded Cost of the Network Customer Allocated Work and any amounts payable to Hydro One under Subsection 12 (a) (i) hereof.

An estimate of the Engineering and Construction Cost (not including Taxes) of each of the Transformation Connection Pool Work and/or Line Connection Pool Work and/or Network Customer Allocated Work is provided in Schedule "C" of the Agreement.

An estimate of the Capital Contribution for each of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Customer Allocated Work is specified in Schedule "B" of the Agreement (plus Taxes). The Storage Provider shall pay Hydro One the estimated Capital Contribution(s) in the manner specified in Schedule "C" of the Agreement.

Within 180 calendar days after the Ready for Service Date, Hydro One shall provide the Storage Provider with a new Schedule "C" to replace Schedule "C" of the Agreement attached hereto which shall identify the following:

- (a) the actual Engineering and Construction Cost of the Transformation Connection Pool Work;
- (b) the actual Engineering and Construction Cost of the Line Connection Pool Work;
- (c) the actual Engineering and Construction Cost of the Network Customer Allocated Work;
- (d) the actual Engineering and Construction Cost of the Work Chargeable to Storage Provider;
- (e) the actual Capital Contribution required to be paid by the Storage Provider for each of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Customer Allocated Work; and
- (f) the revised Transformation Connection Revenue and/or Line Connection Revenue requirements and/or Network Revenue requirements based on the Load Forecast or the

Adjusted Load Forecast, whichever is applicable.

The new Schedule “C” shall be made a part hereof as though it had been originally incorporated into the Agreement.

If an estimate of a Capital Contributions paid by the Storage Provider exceeds the actual Capital Contribution required to be paid by the Storage Provider for any or all of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Customer Allocated Work, Hydro One shall refund the difference to the Storage Provider (plus Taxes) within 30 days following the issuing of the new Schedule “C”. If the estimate of a Capital Contribution paid by the Storage Provider is less than the actual Capital Contributions required to be paid by the Storage Provider for any or all of the Transformation Connection Pool Work, the Line Connection Pool Work and the Network Storage Provider Allocated Work, the Storage Provider shall pay Hydro One the difference (plus Taxes) within 30 days following the issuing of the new Schedule “C”.

10.2 Hydro One shall not include the following amounts in the Capital Contributions referenced in Section 10.1, any capital contribution for:

- (a) a Connection Facility that was otherwise planned by Hydro One except for advancement costs;
- (b) capacity added to a Connection Facility in anticipation of future load growth not attributable to the Storage Provider; or
- (c) the construction of or modifications to Hydro One’s Network Facilities that may be required to accommodate the New or Modified Connection other than Network Customer Allocated Work unless Hydro One has indicated in Schedule “A” of the Agreement that exceptional circumstances exist so as to reasonably require the Storage Provider to make a Capital Contribution.

10.3 Notwithstanding Sub-section 10.2(c) above, if Hydro One indicates in Schedule “C” of the Agreement that exceptional circumstances exist so as to reasonably require the Storage Provider to make a Capital Contribution towards the Network Pool Work, Hydro One shall not, without the prior written consent of the Storage Provider, refuse to

commence or diligently perform the Network Pool Work pending direction from the OEB under section 6.3.5 of the *Transmission System Code* provided that the Storage Provider provides Hydro One with a security deposit in accordance with Section 20 of these Standard Terms and Conditions.

Until such time as Hydro One has actually begun to perform the Network Pool Work, the Storage Provider may request, in writing, that Hydro One not perform the Network Pool Work and Hydro One shall promptly return to the Storage Provider any outstanding security deposit related to the Network Pool Work.

10.4 If the Storage Provider has made a Capital Contribution under Section 10.1 hereof for the construction or modification of a Hydro One-owned Connection Facility other than an enabler facility and where this Capital Contribution includes the cost of capacity on the Connection Facility in excess of the Storage Provider’s needs as indicated in Schedule “B” of the Agreement, Hydro One shall provide the Storage Provider with a refund, calculated in accordance with Section 6.3.17A of the *Transmission System Code* if that capacity is assigned to another Load Customer (as that term is defined in the *Transmission System Code*) within fifteen (15) years of the In Service Date of the Connection Facility.

11. Hydro One shall perform a True-Up, based on Actual Load:

- (a) at the True-Up Points specified in Schedule “A” of the Agreement; and
- (b) the time of disconnection where the Storage Provider voluntarily and permanently disconnects the Storage Provider Facilities from Hydro One’s transmission facilities and the prior to the final True-Up Point identified in (a) above.

For True-Up purposes, if the Storage Provider does not pay a Capital Contribution, Hydro One shall provide the Storage Provider with an Adjusted Load Forecast.

Hydro One shall perform True-Ups in a timely manner. Within 30 calendar days following completion of each of the True-Ups referred to in 11(a), Hydro One shall provide the Storage Provider with the results of the True-Up.

12. If the result of a True-Up performed in accordance with Section 11 above is that the Actual Load and Updated Load Forecast is:

- (i) less than the load in the Load Forecast or the Adjusted Load Forecast, whichever is applicable, and therefore does not generate the forecasted Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue required for the Economic Evaluation Period, the Storage Provider shall pay Hydro One an amount equal to the shortfall adjusted to reflect the time value of money within 30 days after the date of Hydro One's invoice therefor; and
- (ii) more than the load in the Load Forecast or the Adjusted Load Forecast, whichever is applicable, and therefore generates more than the forecasted Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue required for the Economic Evaluation Period, Hydro One shall post the excess Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue as a credit to the Storage Provider in a notional account. Hydro One shall apply this credit against any shortfall in subsequent True-Up calculations. Where the Storage Provider paid a Capital Contribution in accordance with Section 10.1 hereof, Hydro One shall rebate the Storage Provider an amount that is the lesser of the credit balance in the notional account adjusted to reflect the time value of money, and the Capital Contribution adjusted to reflect the time value of money by no later than 30 days following the final True-Up calculation.

13. All adjustments to reflect the time value of money to be performed under Section 12 above shall be performed in accordance with the OEB-Approved Connection Procedures. As of the date of this Agreement, the time value of money is determined using Hydro One's after-tax cost of capital as used in the original economic evaluation performed in accordance with the requirements of the *Transmission System Code*.

14. Hydro One shall provide the Storage Provider with all information pertaining to the calculation of all Engineering and Construction Costs, Capital Contributions and True-Ups that any Load

Customer is entitled to receive in accordance with the requirements of the *Transmission System Code*.

Part C: Work Chargeable to Storage Provider, Network Pool Work and Premium Costs

15.1 The Storage Provider shall pay Hydro One's Engineering and Construction Cost (plus Taxes) of the Hydro One Connection Work described as Work Chargeable to Storage Provider in Schedule "A" of the Agreement which is estimated to be the amounts specified in Schedule "C" of the Agreement in the manner specified in Schedule "C" of the Agreement.

Hydro One shall identify the actual Engineering and Construction Cost of the Work Chargeable to Storage Provider in the revised Schedule "C" provided to the Storage Provider in accordance with Section 10.1 of this Agreement. Any difference between the Engineering and Construction Cost of the Work Chargeable to Storage Provider (plus Taxes) and the amount already paid by the Storage Provider shall be paid within 30 days after the issuance of the revised Schedule "C" by:

- (a) Hydro One to the Storage Provider, if the amount already paid by the Storage Provider exceeds the Engineering and Construction Cost of the Work Chargeable to Storage Provider (plus Taxes); or
- (b) the Storage Provider to Hydro One, if the amount already paid by the Storage Provider is less than the Engineering and Construction Cost of the Work Chargeable to Storage Provider (plus Taxes).

15.2 Subject to Sections 10.3 and 18 hereof, Hydro One shall perform the Hydro One Connection Work described as Network Pool Work in Part 3 of Schedule "A" of the Agreement at Hydro One's sole expense.

16. As the Project is schedule-driven and as the estimated costs specified in Schedule "B" of the Agreement are based upon normal timelines for delivery of material and performance of work, in addition to the amounts that the Storage Provider is required to pay pursuant to Section 10.1 and 15.1 above, the Storage Provider agrees to pay Hydro One's Premium Costs if the Storage Provider causes or contributes to any delays, including, but not limited to, the Storage Provider failing to

execute the Agreement by the Execution Date specified the Agreement under the heading “Special Circumstances”.

Save and except for the circumstances described in the Agreement under the heading “Special Circumstances”, Hydro One shall obtain the Storage Provider’s approval prior to Hydro One authorizing the purchase of materials or the performance of work that attracts Premium Costs. The Storage Provider acknowledges that its failure to approve an expenditure of Premium Costs may result in further delays and Hydro One shall not be liable to the Storage Provider as a result thereof. Hydro One shall invoice the Storage Provider for expenditures of Premium Costs within 180 calendar days after the Ready for Service Date.

Part D: Right of Storage Provider to By-Pass Existing Load Facilities

17.1 Obligation to Notify Hydro One of Storage Provider’s Intent to Bypass an Existing Load Facility: If the Storage Provider chooses to exercise its rights under the *Transmission System Code* and the Agreement to bypass the Existing Load Facility, the Storage Provider shall notify Hydro One, in writing, in accordance with the requirements of Schedule J of the Connection Agreement prior to transferring load from the Existing Load Facility. Upon receiving the notice, Hydro One will proceed in accordance with Section 6.7 of the Transmission System Code and the applicable terms of the Connection Agreement.

17.2 Hydro One has not received a Notice of Storage Provider Intent to Bypass an Existing Load Facility and Storage Provider has Transferred Existing Load: Where Hydro One determines that the Storage Provider has transferred load from the Existing Load Facility without notifying Hydro One in accordance with the requirements of Schedule J of the Connection Agreement, Hydro One will notify the Storage Provider, all Load Customers served by the connection facility and the OEB of a potential by-pass situation in accordance with the OEB-Approved Connection Procedures and its obligations in Section 6.7 of the Code and the applicable terms of the Connection Agreement. If the Storage Provider does not intend to by-pass the Existing Load Facility, the Storage Provider must, in

accordance with the OEB-Approved Connection Procedures:

- (a) notify Hydro One and the OEB within 30 days of receiving Hydro One’s notification of potential by-pass, that it has no intention of by-passing Hydro One’s Existing Load Facility;
- (b) transfer the load back to the Existing Load Facility within an agreed time period; and
- (c) compensate Hydro One for the lost revenues.

17.3 The Storage Provider agrees that Sections 17.1 and 17.2 above shall also be terms of the Connection Agreement.

Part E: Cancellation or Termination of Project and Early Termination of Agreement for Breach

18. Notwithstanding any other term of the Agreement, if at any time prior to the In-Service Date, the Project is cancelled or the Agreement is terminated for any reason whatsoever other than breach of the Agreement by Hydro One, the Storage Provider shall pay Hydro One’s Engineering and Construction Cost (plus Taxes) of the Line Connection Pool Work, the Transformation Connection Pool Work, the Network Pool Work, the Network Customer Allocated Work and the Work Chargeable to Storage Provider incurred on and prior to the date that the Project is cancelled or the Agreement is terminated, including the preliminary design costs and all costs associated with the winding up of the Project, including, but not limited to, storage costs, vendor cancellation costs, facility removal expenses and any environmental remediation costs.

If the Storage Provider provides written notice to Hydro One that it is cancelling the Project, Hydro One shall have 10 Business Days to provide written notice to the Storage Provider listing the individual items listed as materials which it agrees to purchase. Hydro One shall deduct the actual cost of those individual items of materials being purchased by Hydro One from the Engineering and Construction Costs referred to above.

If Hydro One does not require all or part of the materials, the Storage Provider may exercise any of the following options or a combination thereof:

- (a) where materials have been ordered but all or part of the materials have not been received by Hydro One, the Storage Provider shall have the

right to require Hydro One, at the Storage Provider's sole expense, to continue with the purchase of the materials and transfer title to those materials on an "as is, where is basis" to the Storage Provider upon the Storage Provider paying Hydro One's Engineering and Construction Costs (plus Taxes) provided that the Storage Provider exercises this option within 15 Business Days of the termination or cancellation; or

- (b) where all or part of the materials have been received by Hydro One but have not been installed, the Storage Provider shall have the right to require Hydro One, at the Storage Provider's sole expense, to transfer title to the materials on an "as is, where is basis" to the Storage Provider upon the Storage Provider paying Hydro One's Engineering and Construction Costs (plus Taxes) provided that the Storage Provider exercises this option within 15 Business Days of the termination or cancellation. The Storage Provider shall also be responsible for any warehousing costs associated with the storage of the materials to the date of transfer; or
- (c) where all or part of the materials have been received by Hydro One and have been installed, the Storage Provider shall have the right to require Hydro One, at the Storage Provider's sole expense, to: transfer title to the materials on an "as is, where is basis" to the Storage Provider upon the later of (A) the Storage Provider paying Hydro One's Engineering and Construction Costs (plus Taxes); and (B) the date that Hydro One removes the materials from its property at the risk of the Storage Provider; provided that the Storage Provider exercises this option within 15 Business Days of the termination or cancellation. The Storage Provider shall also be responsible for any Engineering and Construction Costs (plus Taxes) associated with the removal of the materials that have been installed by Hydro One.

The Storage Provider shall pay Hydro One's Engineering and Construction Costs (plus Taxes) which become payable under this Section 18 within 30 calendar days after the date of invoice.

Part F: Sale, Lease, Transfer or Other Disposition of Storage Facility

19. In the event that the Storage Provider sells, leases or otherwise transfers or disposes of the Storage Facility to a third party during the Term of the Agreement, the Storage Provider shall cause the purchaser, lessee or other third party to whom the Storage Facility are transferred or disposed to enter into an assumption agreement with Hydro One to assume all of the Storage Provider's obligations in the Agreement; and notwithstanding such assumption agreement unless Hydro One agrees otherwise, in writing, the Storage Provider shall remain obligated under Sections 10.1, 12, 15.1 and 16 hereof. The Storage Provider further acknowledges and agrees that in the event that all or a portion of the Storage Facility is shut down, abandoned or vacated for any period of time during the Term of the Agreement, the Storage Provider shall remain obligated under Sections 10.1, 12, 15.1 and 16 for the said time period.

Part G: Security Requirements

20. If Hydro One requires that the Storage Provider furnish security, which at the Storage Provider's option may be in the form of cash (by way of a certified cheque, bank draft or wire transfer), letter of credit that meets the Letter of Credit Requirements or surety bond that meets the Surety Bond Minimum Requirements, the Storage Provider shall furnish such security in the amount and by the dates specified in Schedule "C" of the Agreement.

If a Security Deposit provided in the form of a letter of credit or a surety bond shall not expire until the date specified in Schedule "C". If a letter of credit or surety bond has an earlier expiry date, Hydro One may draw down on the letter of credit or surety bond not more than 60 days prior to the expiry date and treat the amount drawn as a cash deposit.

Hydro One shall return the security deposit to the Storage Provider as follows:

- (a) security deposits in the form of cash shall be returned to the Storage Provider, together with Interest, less the amount of any Capital Contribution owed by the Storage Provider upon the later of the date that the Storage Provider Facilities being connected to Hydro One's New or Modified Connection Facilities and any

Capital Contribution(s) have been paid under Section 10.1 hereof; and

- (b) security deposits in any other form shall be returned to the Storage Provider upon the later of the date that the the Storage Provider Facilities are connected to Hydro One's New or Modified Connection Facilities and any Capital Contribution(s) have been paid and any Capital Contribution(s) have been paid under Section 10.1 hereof.

Notwithstanding the foregoing, Hydro One may keep all or a part of the security deposit: (a) where and to the extent that the Storage Provider 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.

Part H: Disputes

21. 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 Storage Provider 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.

22. If a dispute arises while Hydro One is constructing the New or Modified Connection Facilities, Hydro One shall not cease the work or slow the pace of the work without leave of the OEB.

23. Hydro One shall refund to the Storage Provider or the Storage Provider 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 Storage Provider or should have been allocated to

the Storage Provider 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. This obligation shall survive the termination of this Agreement.

Part I: Land Rights

24. Any Land Rights required by Hydro One for the Hydro One Connection Work are identified in Schedule "A" of the Agreement (if the Land Rights are to be obtained from third parties) and specified in Schedule "B" of the Agreement (where Hydro One requires Land Rights from the Storage Provider). The acquisition of Land Rights includes acquiring the Land Rights and any approvals related thereto (e.g. municipal consents for access and access or entry permits).

With respect to the acquisition of Land Rights, including, the addition of lands to Hydro One's Provincial Master Land Use Permit, the Engineering and Construction 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).

The Storage Provider acknowledges and agree that Hydro One shall only compensate third parties for Land Rights on commercially reasonable terms that are consistent with Hydro One's land acquisition policies.

If specified in Schedule "B" that the Storage Provider is required to provide Hydro One with the Land Rights described in Schedule "B" of the Agreement, the Storage Provider shall provide such Land Rights in accordance with the requirements of Schedule "B" including, without limitation, by the dates specified therein and such Land Rights shall be first in priority except as noted therein, in registerable form and provided to Hydro One with nominal consideration.

Part J: Events of Default

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

- (a) failure by the Storage Provider to pay any amount due under the Agreement, including any amount payable pursuant to Sections 10.1, 12, 15.1, 16 or 18 within the time stipulated for payment;
- (b) breach by the Storage Provider or Hydro One of any Material term, condition or covenant of the Agreement; or
- (c) the making of an order or resolution for the winding up of the Storage Provider or Hydro One or of their respective operations or the occurrence of any other dissolution, bankruptcy or reorganization or liquidation proceeding instituted by or against the Storage Provider or Hydro One.

For greater certainty, a dispute shall not be considered an Event of Default under this Agreement. However, a Party's failure to comply, within a reasonable period of time, with the terms of a determination of such a dispute by the OEB or with a decision of a court of competent jurisdiction with respect to a determination made by the OEB shall be considered an Event of Default under the Agreement.

26. Upon the occurrence of an Event of Default by the Storage Provider hereunder (other than those specified in Section 25(c) of the Agreement, for which no notice is required to be given by Hydro One), Hydro One shall give the Storage Provider written notice of the Event of Default and allow the Storage Provider 30 calendar days from the date of receipt of the notice to rectify the Event of Default, at the Storage Provider's sole expense. If such Event of Default is not cured to Hydro One's reasonable satisfaction within the 30 calendar 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 Storage Provider at least 10 calendar days' prior written notice thereof, recover, as liquidated damages and not as a penalty, the following:

- (a) the sum of the amounts payable by the Storage Provider pursuant to Sections 10.1, 12, 15.1 and where applicable, Section 16 less any amounts already paid by the Storage Provider in accordance with Section 10.1, 12, 15.1 and 16

if this clause is invoked after the In-Service Date; or

- (b) the amounts payable under Section 16 and 18 less any amounts already paid by the Storage Provider in accordance with Sections 10.1, 15.1 and 16 if this clause is invoked prior to the In-Service Date.

27. Upon the occurrence of an Event of Default by Hydro One hereunder (other than those specified in Section 25(c), the Storage Provider shall give Hydro One written notice of the Event of Default and shall allow Hydro One 30 calendar 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 Storage Provider's reasonable satisfaction within the 30 calendar day period, the Storage Provider may pursue any remedies available to it at law or in equity, including at its option the termination of the Agreement.

28. All rights and remedies of Hydro One and the Storage Provider 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 Storage Provider respectively at law or in equity, and any one or more of Hydro One's and the Storage Provider'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 Storage Provider may have or may not 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.

Part K: Changes to Transmission Rates

29. In the event that the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate is rescinded or the methodology of determination or components is materially changed, the Parties agree to negotiate a new mechanism for the purposes of the Agreement, provided that such new mechanism will not result in an increase in the amounts of Capital Contribution or Security Deposits payable by the Storage Provider to Hydro One hereunder.

The Parties shall have 90 calendar days from the effective date of rescission or fundamental change of the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate to agree to a new mechanism that is, to the extent possible, fair to the parties and constitutes a reasonably comparable replacement for the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate. If the Parties are unable to successfully negotiate a replacement within that 90 calendar day period, this shall be considered a dispute under the terms of this Agreement and the parties shall follow the dispute resolution procedure set out in the OEB-Approved Connection Procedures.

Any settlement on a new mechanism pursuant to this Section 29 shall apply retroactively from the date on which the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate was rescinded or fundamentally changed. Until such time as a new mechanism is determined hereunder, any amounts to be paid by the Storage Provider under the Agreement shall be based on the Transformation Connection Service Rate, the Line Connection Service Rate or the Network Service Rate in effect prior to the effective date of any such changes.

Part L: Incorporation of Liability and Force Majeure Provisions

30. PART III: LIABILITY AND FORCE MAJEURE (with the exception of Section 15.5 thereof) 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.

For the purposes of this Section 30, the Parties agree that the references in PART III: LIABILITY AND FORCE MAJEURE to:

- (a) the Transmitter in lines 3 and 4 of Section 15.1 of the Connection Agreement means the Transmitter or any party acting on behalf of the

Transmitter such as contractors, subcontractors, suppliers, employees and agents; and

- (b) the Storage Provider in lines 3 and 4 of Section 15.2 of the Connection Agreement means the Storage Provider or any party acting on behalf of the Storage Provider such as contractors, subcontractors, suppliers, employees and agents.

Part M: Confidential Information

31. 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 Storage Provider’s Confidential Information in the circumstances described in Section 4.7.2 of the *Transmission System Code*.

Part N: General

32. 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 with respect to the Connection of the Storage Facility to the transmission system, on the same subject matter, the Connection Agreement governs.

33. The failure of either 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 either 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.

34. Other than as specifically provided in the Agreement, 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.

35. The Agreement 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.

36. The Storage Provider shall provide Hydro One with a copy of the Storage Provider's final monthly bills associated with the transmission of electricity from the Existing Load Facilities and/or the Storage Provider Facilities or authorize the IESO to provide Hydro One with same. Hydro One agrees to use this information solely for the purpose of the Agreement.

37. **Invoices and Interest:** 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.

38. The obligation to pay any amount due hereunder, including, but not limited to, any amounts due under Sections 10.1, 12, 15.1, 16, 18 or 23 shall survive the termination of the Agreement.

Appendix “A”: Definitions

In the Agreement, unless the context otherwise requires, terms which appear therein without definition, shall have the meanings respectively ascribed thereto in the *Transmission System Code* and unless there is something in the subject matter or context inconsistent therewith, the following words shall have the following meanings:

“Actual Load” means the actual load delivered by Hydro One to the Storage Provider up to the True-Up Point in excess of the Normal Capacity of the Existing Load Facilities.

“Assigned Capacity” is calculated in accordance with Section 6.2.2 of the *Transmission System Code*.

“Adjusted Load Forecast” means a Load Forecast that has been adjusted to the point where the present value of the Transformation Connection Revenue and/or Line Connection Revenue and/or Network Revenue equals the present value of the Pool Funded Cost of the Transformation Connection Pool Work and/or the Pool Funded Cost of the Line Connection Pool Work and/or the Pool Funded Cost of the Network Customer Allocated Work.

“Agreement” means the Connection Cost Recovery Agreement, Schedules “A” and “B” attached thereto and these Standard Terms and Conditions.

“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, court authority or agency.

“Approval Date” means for the purpose of Subsection 5(f) of the Terms and Conditions, the date specified in Schedule “A” of the Agreement.

“Capital Contribution” means a capital contribution calculated using the economic evaluation methodology set out in 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” has the same meaning ascribed to the term “Connect” in the *Transmission System Code*.

“Connection Agreement” means a connection agreement for Storage Facilities substantially in the form of the connection agreement attached to the Agreement as Schedule “D”.

“Connection Facilities” has the meaning set forth in the *Transmission System Code*.

“Connection Point” has the meaning set forth in the *Transmission System Code* and for this project, is as specified in Schedule “A” of the Agreement.

“Distributor” has the meaning set forth in the *Transmission System Code*.

“Economic Evaluation Period” means the period of five (5) years for high risk connection, ten (10) years for a medium-high risk connection, fifteen (15) years for a medium-low risk connection and twenty-five years for a low risk connection commencing on the In Service Date whichever is applicable to the Storage Provider as specified in Schedule “C” of the Agreement.

“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.

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

“Existing Load” in relation to the Storage Provider and each of the Existing Load Facilities is equal to the Storage Provider’s Assigned Capacity at each of the Existing Load Facilities on the date of this

Agreement.

“Existing Load Facility or Existing Load Facilities” means the connection facility(ies) owned by Hydro One as specified in the Existing Load Table in Schedule “C” of the Agreement where the Storage Provider has Existing Load.

“Force Majeure Event” has the meaning ascribed thereto in the Connection Agreement.

“HST” means the Harmonized Sales Tax.

“Hydro One Connection Work” means the work to be performed by Hydro One described in Schedule “A” of the Agreement.

“Hydro One Facilities” means Hydro One’s structures, lines, transformers, breakers, disconnect switches, buses, voltage/current transformers, protection systems, telecommunication systems, cables and any other auxiliary equipment used for the purpose of transmitting electricity.

“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.

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

“In Service Date” has the same meaning ascribed to the term “comes into service” in the *Transmission System Code*.

“Incremental Network Load” means the Storage Provider’s New Load less the amount of load, if any, that has been by-passed by the Storage Provider at any of Hydro One’s connection facilities.

“Interest” means the interest rates specified by the OEB to be applicable to security deposits in the form of cash as specified in Subsection 6.3.11(b) in the *Transmission System Code*.

“Land Rights” means any one or more of the following real estate rights/land agreements and any approvals required by Hydro One related thereto (e.g. municipal consents for access and access or entry permits) that are required for all or any part of the Hydro One Connection Work:

- (i) a grant(s) of easement in gross substantially in the form of the Grant of Easement in Gross attached to the Agreement as Schedule “E” from the registered owner(s) of the Easement in Gross Lands for the Easement in Gross Term to be obtained by the date specified as the Easement in Gross Date, with the Easement in Gross Lands, Easement in Gross Term and the Easement in Gross Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (ii) an access easement substantially in the form of the Access Easement attached to the Agreement as Schedule “F” from the registered owner(s) of the Access Easement Lands for the Access Easement Term to be obtained by the date specified as the Access Easement Date, with the Access Easement Lands, Access Easement Term and the Access Easement Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable. All municipal consent(s) and approvals for any access road easements required by Hydro One for all or any part of the Hydro One Work must also be obtained 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 is described in s. 50(3) of the Act and therefore is exempt from the municipal consent process, in such a case, Hydro One will need to either (a) secure municipal consent for the access road or (b) obtain a letter from the municipality 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 substantially in the form of the Early Access Agreement attached to the Agreement as Schedule “G” from

the registered owner(s) of the Early Access Lands to be obtained by the date specified as the “Early Access Execution Date” with the Early Access Lands and the Early Access Execution Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;

- (v) an Off-Corridor Access Agreement is required substantially in the form of the Off-Corridor Access Agreement attached to the Agreement as Schedule “H” from the registered owner(s) of the Off-Corridor Access Lands to be obtained by the date specified as the “Off-Corridor Access Execution Date” with the Off-Corridor Access Lands and the Off-Corridor Access Execution Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (vi) a Construction Staging and Stringing Area Agreement is required substantially in the form of the Construction Staging and Stringing Area Agreement attached to the Agreement as Schedule “I” from the registered owner(s) of the Construction Staging and Stringing Area Land(s) to be obtained by the date specified as the Construction Staging and Stringing Area Execution Date with the Construction Staging and Stringing Area Land(s) and the Construction Staging and Stringing Area Execution Date being specified in Schedule “A” of the Agreement;
- (vii) ownership/fee simple rights are required, Hydro One will enter into an Agreement of Purchase and Sale with the registered owner(s) of the “Lands to be Acquired” substantially in the form of the Agreement of Purchase and Sale attached to the Agreement as Schedule “J” for consideration that is consistent with Hydro One’s land acquisition policies with a closing date that is not to be later than the date specified as the “Closing Date” with the Lands to be Acquired and the Closing Date being specified in either Schedule “A” of the Agreement (registered owner is a third party) or “B” (registered owner is the Storage Provider), as applicable;
- (viii) where all or any part of the Hydro One Work is to be located on Crown land (MNR), Hydro One will need to obtain a Work Permit/Letter of

Authority from the Ministry of Natural Resources (MNR) by no later than the date specified in Schedule “A” as the “Date Work Permit/Letter of Consent Required” to allow Hydro One to construct the portion of the Hydro One Connection Work to be located on the Crown land and add same to Hydro One’s Provincial Master Land Use Permit;

- (ix) approvals from pipelines and/or railway companies are required, Hydro One will secure such approvals from the pipeline companies and/or railway companies listed in Schedule “A” of the Agreement as the “Affected Pipeline/Railway Companies” (including, but not limited to performing any necessary studies to obtain same) by the Railway/Pipeline Approval Date specified in Schedule “A”;
- (x) consultations with third party encumbrancers are required, Hydro One shall consult with such third party encumbrancers to ensure that no project delays are experienced by Hydro One; and
- (xi) confirmation of Hydro One’s rights to use an existing (Unopened) road allowance is required, to all or any portion of the Hydro One Connection Work Hydro One shall obtain written confirmation from the municipality that Hydro One has all necessary rights and permission to construct and to access all or any portion of a transmission line being built by Hydro One along the unopened road allowance described as the Unopened Road Allowance Lands in Schedule “A”.

“**Letter of Credit**” means a letter of credit that meets all of the following requirements:

- (a) is issued by a bank listed in Schedule I or II of the *Bank Act* (Canada) (“**Bank**”);
- (b) allows for presentment in Toronto, Ontario or presentment using a valid fax number where the Bank does not have a branch in Toronto, Ontario;
- (c) has an expiry date that is acceptable to Hydro One;
- (d) provides that any notice that the Bank does not wish to extend the letter of credit for any additional period of expiry must be provided, in writing, to Hydro One Networks Inc., 483 Bay Street, 7th Floor, South Tower, Toronto, Ontario

M5G 2P5 Attn: Treasurer at least sixty (60) days prior to any expiration date;

- (e) permits partial drawings and multiple presentations;
- (f) provides that drawings will be paid on written demand without the issuing Bank enquiring whether Hydro One has a right as between itself and the Storage Provider to make such demand, and without recognizing any claim of the Storage Provider;
- (g) only requirement to be met in order to draw on the letter of credit is that Hydro One present the letter of credit and a certificate stating that the amount demanded is payable to Hydro One by the Customer pursuant to the terms of the Connection and Cost Recovery Agreement made between Hydro One Networks Inc. and the Storage Provider, as it may be amended by the Storage Provider and Hydro One from time to time;
- (h) provides that banking charges and commissions associated with the letter of credit are payable by the Storage Provider;
- (i) subject to the International Standby Practices "ISP 98" ICC Publication no. 590 ("**ISP 98**");
- (j) provide that notwithstanding ISP 98, in the event that the original of the letter of credit is lost, stolen, mutilated or destroyed, the Bank will agree to replace same upon written notice from Hydro One setting out the circumstances;
- (k) provides that matters not expressly covered by ISP 98, will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (l) any dispute or claim shall be submitted to the exclusive courts within the jurisdiction of the Province of Ontario.

"Line Connection Pool Work" means the Hydro One Connection Work specified in Schedule "A" of the Agreement under the heading "Line Connection Pool Work".

"Line Connection Revenue" means the amount of line connection revenue attributable to that part of the Storage Provider's New Load to be received by Hydro One through the monthly collection of the Line Connection Service Rate during the Economic Evaluation Period.

"Line Connection Service Rate" means the line connection service rate approved by the OEB in Hydro One's Rate Order from time to time, or any

mechanism instituted in accordance with Section 29.

"Load Forecast" means the initial load forecast of the New Load in excess of the Normal Capacity of the Existing Load Facilities used in the initial economic evaluation for the Economic Evaluation Period.

"Material" relates to the essence of the contract, more than a mere annoyance to a right, but an actual obstacle preventing the performance or exercise of a right.

"Network Customer Allocated Work" means the construction of or modifications to Network Facilities specified in Schedule "A" of the Agreement under the heading "Network Customer Allocated Work" that are minimum connection requirements.

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

"Network Pool Work" means the Hydro One Connection Work specified in Schedule "A" of the Agreement under the heading "Network Pool Work".

"Network Revenue" means the amount of network revenue attributable to the Incremental Network Load to be received by Hydro One through the monthly collection of the Network Service Rate during the Economic Evaluation Period.

"Network Service Rate" means the network service rate approved by the OEB in Hydro One's Rate Order from time to time, or any mechanism instituted in accordance with Section 29.

"New Load" means the load at the New or Modified Connection Facility that is in excess of, for each of the Existing Load Facilities, the lesser of the Existing Load or the Normal Capacity.

"New or Modified Connection Facilities" means the facilities owned by Hydro One as specified in Schedule "A" of the Agreement.

"Normal Capacity" means, where the Storage Provider is:

- (a) the only Load Customer supplied by an Existing Load Facility, the total normal supply capacity of the Existing Load Facility as determined in accordance with the OEB-Approved Connection Procedures; and
- (b) one of two or more Load Customers served by an Existing Load Facility, the Storage Provider's pro-rated share of the total normal supply capacity of the Existing Load Facility as determined in accordance with the OEB-Approved Connection Procedures.

"OEB" means the Ontario Energy Board.

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

"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.

"Pool-Funded Cost" means the present value of the Engineering and Construction Cost and projected on-going maintenance and other related incremental costs (including, but not limited to applicable taxes, and net of tax benefits), of each of the Transformation Connection Pool Work, the Line Connection Pool Work and/or the Network Customer Allocated Work calculated in accordance with the principles, criteria and methodology set out in Appendices 4 and 5 of the Transmission System Code.

"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.

"Rate Order" has the meaning ascribed thereto in the *Transmission System Code*.

"Ready for Service Date" means the date upon which the Hydro One Connection Work is fully and completely constructed, installed, commissioned and energised to the Connection Point. The Storage Provider's disconnect switches must be

commissioned prior to this date in order to use them as isolation points.

"Risk Classification" is as specified in Schedule "C" of the Agreement.

"Standard Terms and Conditions" means these Standard Terms and Conditions for Storage Facility Connection Projects and Appendix "A" attached thereto.

"Storage Facility" means a facility that once connected to a Transmission System is capable of withdrawing electrical energy from the Transmission System (i.e. charging), and then storing such energy for a period of time, and then re-injecting only such energy back into the Transmission System, minus any losses (i.e. discharging).

"Storage Provider Connection Work" means the work to be performed by the Storage Provider, at its sole expense, which is described in Schedule "B" of the Agreement.

"Storage Provider Facilities" means any and all equipment, elements, and facilities of any kind whatsoever owned by a Storage Provider that are relevant to a Connection, and includes, but is not limited to the Storage Facility and any new, modified or replaced Storage Provider Facilities.

"Storage Provider's Property(ies)" means any lands leased or owned in fee simple by the Storage Provider or lands where the Storage Provider has easement rights.

"Surety Bond Requirements" means a surety bond that meets all of the following requirements:

- (a) is in a form that is satisfactory to Hydro One;
- (b) surety must be Canadian;
- (c) surety must be financially acceptable to Hydro One must have at, a minimum, a long-term credit rating of "A" from a bond-rating agency acceptable to Hydro One;
- (d) provides that fees, charges and commissions associated with the surety bond, including drawings therefrom, are payable by the Storage Provider;
- (e) allows for presentment in Toronto, Ontario or presentment using a valid fax number

where the surety does not have a branch in Toronto, Ontario;

- (f) has an expiry date that is acceptable to Hydro One;
- (g) provides that any notice that the surety does not wish to extend the surety bond for any additional period of expiry must be provided, in writing, to Hydro One Networks Inc., 483 Bay Street, 7th Floor, South Tower, Toronto, Ontario M5G 2P5 Attn: Treasurer at least 60 days prior to any expiration date;
- (h) permit partial drawings and multiple presentations;
- (i) provide that drawings will be paid without the surety enquiring whether Hydro One has a right as between itself and the Storage Provider to make such demand, and without recognizing any claim of the said Storage Provider;
- (j) only requirement to be met in order to draw on the surety bond is that Hydro One present a certificate certifying that the amount demanded is payable to Hydro One by the Storage Provider pursuant to the terms of the Connection Cost Recovery Agreement made between the Storage Provider and Hydro One, as it may be amended by the Storage Provider and Hydro One from time to time;
- (k) will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (l) any dispute or claim shall be submitted to the exclusive courts within the jurisdiction of the Province of Ontario.

“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).

“Transformation Connection Pool Work” means the Hydro One Connection Work described in Schedule “A” of the Agreement under the heading “Transformation Connection Pool Work”.

“Transformation Connection Revenue” means the amount of transformation connection revenue attributable to that part of the Storage Provider’s New Load to be received by Hydro One through the monthly collection of the Transformation

Connection Service Rate during the Economic Evaluation Period.

“Transformation Connection Service Rate” means the line connection service rate approved by the OEB in Hydro One’s Rate Order from time to time, or any mechanism instituted in accordance with Section 29.

“Transmission System Code” or “Code” means the code of standards and requirements issued by the OEB on July 25, 2005 that came into force on August 20, 2005 as published in the Ontario Gazette, as it may be amended, revised or replaced in whole or in part from time to time.

“Transmitter’s Facilities” has the meaning ascribed thereto in the *Transmission System Code*.

“True-Up” means the calculation to be performed by Hydro One, as a transmitter, at each True-Up Point in accordance with the requirements of Subsection 6.5.4 of the *Transmission System Code*.

“True-Up Point” means the points of time based upon the Storage Provider’s Risk Classification when Hydro One is required to perform a True-Up as described in Section 11 of these Terms and Conditions.

“Updated Load Forecast” means the load forecast of the New Load in excess of the Normal Capacity of the Existing Load Facilities for the remainder of the Economic Evaluation Period.

“Work Chargeable to Storage Provider” means the Hydro One Connection Work described in Schedule “B” of the Agreement under the heading “Work Chargeable to Storage Provider”.



**CONNECTION AND COST RECOVERY AGREEMENT (CCRA) –
STORAGE FACILITY**

between

Storage Provider Legal Name

and

Hydro One Networks Inc.

for

**the Connection of a ##### MW Storage Facility
to the Transmission System**

Storage Provider's Full Legal Name (the "**Storage Provider**") has requested and Hydro One Networks Inc. ("**Hydro One**") has agreed to project description (the "**Project**") on the terms and conditions set forth in this Connection and Cost Recovery Agreement dated **insert date, 20__** (the "**Agreement**"). The attached Standard Terms and Conditions for Storage Facility Connection Projects V1 4-2021 (the "**Standard Terms and Conditions**" or "**T&C**") and the following schedules attached hereto are to be read with and form part of this Agreement:

- Schedule "A" - Scope of Hydro One Connection Work
- Schedule "B" - Scope of Storage Provider Connection Work
- Schedule "C" - Capital Contribution(s), Payment Schedule, Revenue Requirements Etc.
- Schedule "D" - Form of Connection Agreement
- Schedule "E" - Form of Grant of Easement in Gross
- Schedule "F" - Form of Access Easement
- Schedule "G" - Form of Early Access Agreement
- Schedule "H" - Form of Off-Corridor Access Agreement,
- Schedule "I" - Form of Construction Staging and Stringing Area Agreement
- Schedule "J" - Form of Agreement of Purchase and Sale

[Instructions: The legal agreements that are the subject of Schedules "E" – "I" will only need to be part of the Agreement if Hydro One needs to obtain that type of agreement from the Storage Provider or from a third party in respect of the Hydro One Connection Work. If one type is not required, leave in Schedule name and insert the words "Not Applicable" instead of inputting the template.]

Project Summary

The Project is the Connection of the Storage Facility to Hydro One's transmission system. To provide for the Connection of the Storage Facility:

- Hydro One will perform the Hydro One Connection Work; and
- the Storage Provider will perform the Storage Provider Connection Work.

Term: The term of this Agreement commences on the date first written above and terminates [If Medium High Risk: 180 days after the 10th anniversary of the In Service Date.]
[If Medium Low Risk: on the 15th anniversary of the In Service Date.]
[If High Risk: 180 days after the 5th anniversary of the In Service Date]

Special Circumstances

1. In addition to the circumstances described in Section 5 of the Standard Terms and Conditions, the Ready for Service Date is subject to:

- (a) the Storage Provider executing and delivering this Agreement to Hydro One by no later than **insert date, 20__**, (the "**Execution Date**"); and
- (b) any delays from Hydro One being unable to commence all or any part of the Hydro One Connection Work and/or or delays that result in Hydro One having to cease performing all or any portion of the Hydro One Connection Work from time to time due to the impacts that the COVID-19 pandemic may have on our company during these uncertain times, including, without limitation:
 - (i) Hydro One prioritizing work on other projects where the other customer must be prioritized as they are or will be performing an essential service in Ontario or are considered an essential construction project in Ontario;

- (ii) we may have limited availability of our personnel which may mean re-deploying our personnel working on your Project to perform Hydro One's own essential service work or work on other customer connection projects where customers either executed Connection Cost Recovery Agreements prior to this one being executed or where the other customer must be prioritized as they are or will be performing an essential service in Ontario or are considered an essential construction project in Ontario;
 - (iii) the productivity of our personnel being diminished or impacted including by reason of ensuring that our employees are appropriately social distanced;
 - (iv) our contractors and supply chains being impacted by the pandemic such that we cannot obtain or must wait longer for services we require from third parties or there are shortages in either availability of equipment and materials required to perform the Hydro One Connection Work; and
 - (v) our work sites (such as stations) not being available or having limited availability including, without limitation, by reason of a person who was previously at that site develops symptoms of COVID-19 and the site must be deep cleaned.
2. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE APPLICABLE I.E. STORAGE PROVIDER HAS EXECUTED A CCEA WITH HYDRO ONE THAT WILL NOT BE SEPARATELY COST RECONCILED.]** Hydro One and the Storage Provider are parties to a Connection Cost Estimate Agreement dated **insert date, 20__** (the "**CCEA**") and the parties acknowledge and agree that:
- (a) the Storage Provider made advance payment(s) of \$●(plus HST in the amount of \$●) (the "**CCEA Payment(s)**") towards the cost of the Work (as that term is defined in the CCEA) (the "**CCEA Work**");
 - (b) Hydro One performed the CCEA Work at a cost of \$● (plus HST in the amount of \$●) ("**Cost of CCEA Work**"); and
 - (c) notwithstanding any term to the contrary in any the CCEA, the CCEA Payment is credited against the amounts payable by the Storage Provider under the terms of this Agreement and the Cost of CCEA Work is included in this Agreement; and
 - (d) the CCEA is deemed to be amended to reflect the inclusion of the Cost of CCEA Work and the CCEA Payment in this Agreement and that there will be no separate cost reconciliation process under the terms of the CCEA.
3. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE THE ESTIMATE IS NOT HYDRO ONE'S STANDARD QUALITY BY REASON OF LOWER QUALITY ESTIMATE ACCEPTED BY STORAGE PROVIDER UNDER THE TERMS OF A CCEA PERFORMED DURING THE COVID-19 PANDEMIC AND THE CCEA CONTAINS PART IX TITLED "IMPACT OF COVID-19 ON THE PERFORMANCE AND QUALITY OF THE WORK".]** The Storage Provider acknowledges and agrees that pursuant to the terms of the Connection Cost Estimate Agreement dated **insert date, 20__**, the Storage Provider accepted the risks associated with Hydro One performing a lower quality estimate being a budgetary estimate generally in the range of -50/+100% ("**Budgetary Estimate**") which means that the scope of the Hydro One Connection Work set out in this Agreement contains a number of assumptions which if they are incorrect may materially change the scope of the Hydro One Connection Work from what is identified in Schedule "A", delay the Ready for Service Date identified herein and/or increase the Engineering and Construction Cost of the Hydro One Connection Work and may also materially change the scope of the Storage

Provider Connection Work to be performed by the Storage Provider from what is identified in Schedule "B".

4. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE THE STORAGE PROVIDER REQUESTS THAT HYDRO ONE BYPASS THE CCEA AND ENTER INTO A CCRA.]** The Customer acknowledges and agrees that:

- (a) the Customer has requested that Hydro One proceed with the execution of this Agreement rather than enter into a Connection Cost Estimate Agreement where Hydro One would provide the Customer with an estimate of the Engineering and Construction Cost of the Hydro One Work that is a release quality estimate generally in the range of -20/+30% ("**Release Quality Estimate**") and a scope of work for the Hydro One Work in Schedule "A" which is generally final unless an assumption identified in Schedule "A" is incorrect or untrue.
- (b) the Storage Provider accepted the following risks associated with Hydro One performing a high level assessment of the Project to provide the Customer with the scope of the Hydro One Connection Work in Schedule "A" and the scope of the Storage Provider Connection Work in Schedule "B"; and an estimate of the Engineering and Construction Cost of the Hydro One Connection Work identified in Schedule "C" which is a high level estimate which is generally in the range of -50/+100% ("**Budgetary Estimate**");
 - (i) the scope of the Hydro One Connection Work set out in this Agreement contains a number of assumptions which if they are incorrect may materially change the scope of the Hydro One Connection Work from what is identified in Schedule "A"; and
 - (ii) the scope of the Storage Provider Connection Work set out in this Agreement contains a number of assumptions which if they are incorrect may materially change the scope of the Storage Provider Connection Work from what is identified in Schedule "B"; and
 - (iii) a material change to either the scope of the Hydro One Connection Work or the scope of the Storage Provider Connection Work may materially delay the Ready for Service Date and/or substantially increase the Engineering and Construction Cost of the Hydro One Connection Work beyond the range of the Budgetary Estimate.

5. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE HYDRO ONE AND THE STORAGE PROVIDER ENTERED INTO AN AGREEMENT FOR ADVANCE PAYMENT OF ENGINEERING DESIGN WORK PRIOR TO EXECUTION OF A CCRA.]** Hydro One and the Customer are parties to an Agreement for Advance Payment of Engineering Design Work Prior to Execution of a CCRA in respect of the connection of the Project to Hydro One's transmission system dated **insert date, 20__** ("**Engineering Design Agreement**");

- (a) pursuant to which the Customer provided an Advance Payment of \$● plus HST in the amount of \$● (the "**Engineering Design Advance Payment**") for performance of the Engineering Design Work;
- (b) which required that the scope of the work and the cost estimate in this Agreement include the Engineering Design Work;
- (c) which required that the Engineering Design Advance Payment be credited against the amounts payable by the Customer under the terms of this Agreement;

and as such, Hydro One:

1. included the Engineering Design Work in the scope of the Hydro One Work and the estimate of the Engineering and Construction Cost of the Hydro One Work identified in this Agreement; and
 2. credited the Engineering Design Advance Payment against the amounts payable by the Customer under the terms of this Agreement.
6. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE APPLICABLE.]** Hydro One and the Customer have agreed to negotiate an acceptable Ready for Service Date (“**negotiated Ready for Service Date**”) by no later than sixty (60) business days following the execution of this Agreement. The negotiated Ready for Service Date shall be documented in an Amending Agreement executed by the Parties hereto. If the Parties cannot agree on a Ready for Service Date by the expiry of the period of time referenced herein, Hydro One and the Customer shall follow the Dispute Resolution Procedure set out in Hydro One’s OEB-Approved Transmission Connection Procedures to resolve the dispute.
7. The Storage Provider acknowledges and agrees that in addition to the circumstances described in Section 16 of the Standard Terms and Conditions, Hydro One shall have the right to perform work at overtime rates and charge the Storage Provider “Premium Costs” for same without obtaining the Storage Provider’s consent during transmission system outages taken to perform Hydro One Connection Work and/or commissioning.

Entire Agreement

Subject to Section 31, this Agreement 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.

Notice

Any written notice required by the Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Hydro One Networks at 483 Bay Street, 8th Floor, South Tower, Toronto, ON M5G 2P5, fax no: (416) 345-6972 on behalf of Hydro One, and to the person at the address specified in Schedule “A” of the Agreement on behalf of the Storage Provider. A faxed notice shall be deemed to be received on the date of the fax if received before 3 p.m. on a business day or on the next business day if received after 3 p.m. or a day that is not a business day. 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.

[Counterparts Clause and Signature Page Follows]

Counterparts and Electronic Signatures

This Agreement may be executed by the parties in writing or via electronic signatures and in one or more in counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement. Counterparts may be delivered via fax, electronic mail (in portable document format) or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and be valid and effective for all purposes.

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

IF THE STORAGE PROVIDER IS A CORPORATION:
[FULL LEGAL NAME OF STORAGE PROVIDER]

Name:
Title:
I have the authority to bind the Corporation.

IF THE STORAGE PROVIDER IS A LIMITED PARTNERSHIP/L.P.:

[INSERT FULL LEGAL NAME OF LP], by its general partner, **[INSERT FULL LEGAL NAME]**

Name:
Title:
I have the authority to bind the General Partner.
The General Partner has the authority to bind the Limited Partnership.

HYDRO ONE NETWORKS INC.

Name:
Title:
Execution Date:
I have the authority to bind the Corporation

Schedule “A” Project Title: Scope of Hydro One Connection Work

MISCELLANEOUS

New or Modified Connection Facilities: Describe

Connection Point: nomenclature

Approval Date (if Section 92 required to be obtained by Hydro One): Insert date, 202____ or Not applicable due to not required or previously obtained by Storage Provider

Ready for Service Date: insert date, 202____

Ownership: Hydro One will own all equipment provided by Hydro One as part of the Hydro One Connection Work with the exception of insert description of anything being constructed, installed or put together by Hydro One that is to be owned by the Storage Provider

GENERAL:

Hydro One will provide project management, engineering, equipment and material, construction and commissioning of the Hydro One Connection Work. The scope of the Hydro One Connection Work is based on the requirements from:

- the IESO’s System Impact Assessment (SIA) Report dated **insert date, 20____** (CAA ID #20____-xxxx;
- the IESO’s System Impact Assessment (SIA) Addendum Report(s) dated **insert date, 20____** (CAA ID #20____-xxxx;
- Hydro One’s Storage Provider Impact Assessment (CIA) Report dated **insert date, 20____**; and
- Hydro One’s Storage Provider Impact Assessment (CIA) Addendum Report(s) dated **insert date, 20____**.

Hydro One, or its agents:

- (i) 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;
- (ii) shall repair any damage caused to lands, owned by Hydro One or third parties, associated with or related to the Hydro One Connection Work;
- (iii) 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
- (iv) scrap all materials and equipment removed by Hydro One, or its agents, at site unless specifically stated otherwise.

SCOPE DETAILS (BY CATEGORY):

Part 1: Transformation Connection Pool Work

Hydro One will obtain the following Land Rights for the Transformation Connection Pool Work¹:

Easement(s) in Gross Required: Yes/No

¹ Cross-reference: Section 24 of T&C and definition of Land Rights in Appendix A of the T&C.

Easement in Gross Lands: Insert land Description

Easement in Gross Term:

Easement in Gross Date: Insert date

Access Easement(s) Required: Yes/No

Access Easement Lands: Insert land Description

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

Access Easement Date: Insert date

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

Early Access Agreement(s) Required: Yes/No

Early Access Lands: Insert land Description

Early Access Execution Date: Insert date

Off-Corridor Access Required: Yes/No

Off-Corridor Access Land(s): Insert land Description

Off-Corridor Access Execution Date: Insert Date

Construction Staging and Stringing Area Required: Yes/No

Construction Staging and Stringing Area Land(s): Insert land Description

Construction Staging and Stringing Area Execution Date: Insert date

Title to Lands Required: Yes/No

Lands to be Acquired for Hydro One: Insert land Description

Closing Date: Insert date

Work Chargeable to Customer on Crown (MNR) Lands: Yes/No

Date Work Permit/Letter of Consent Required:

Pipeline and/or Railway Company Approvals Required: Yes/No

Affected Pipeline/Railway Companies: List Companies

Railway/Pipeline Approval Date: Insert date

Consultations with Third Party Encumbrancers Required: Yes/No

Unopened Road Allowance: Yes/No

Unopened Road Allowance Lands: Insert land Description

Municipal Confirmation Date: Insert date

NOTES:

[Where appropriate: The Estimate of the Engineering and Construction Cost of the Transformation Connection Pool Work and the Estimate of Transformation Connection Pool Work Capital Contribution do not include any amounts associated with Hydro One's acquisition of 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) for the Transformation

Connection Pool Work. The actual 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) and will be reflected in the Actual Engineering and Construction Cost of the Transformation Connection Pool Work and the Actual Transformation Connection Pool Work Capital Contribution.]

Part 2: Line Connection Pool Work

Hydro One will obtain the following Land Rights for the Line Connection Pool Work²:

Easement(s) in Gross Required: Yes/No

Easement in Gross Lands: Insert land Description

Easement in Gross Term:

Easement in Gross Date: Insert date

Access Easement(s) Required: Yes/No

Access Easement Lands: Insert land Description

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

Access Easement Date: Insert date

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

Early Access Agreement(s) Required: Yes/No

Early Access Lands: Insert land Description

Early Access Execution Date: Insert date

Off-Corridor Access Required: Yes/No

Off-Corridor Access Land(s): Insert land Description

Off-Corridor Access Execution Date: Insert Date

Construction Staging and Stringing Area Required: Yes/No

Construction Staging and Stringing Area Land(s): Insert land Description

Construction Staging and Stringing Area Execution Date: Insert date

Title to Lands Required: Yes/No

Lands to be Acquired for Hydro One: Insert land Description

Closing Date: Insert date

Work Chargeable to Customer on Crown (MNR) Lands: Yes/No

Date Work Permit/Letter of Consent Required:

² Cross-reference: Section 24 of T&C and definition of Land Rights in Appendix A of the T&C.

Pipeline and/or Railway Company Approvals Required: Yes/No

Affected Pipeline/Railway Companies: List Companies

Railway/Pipeline Approval Date: Insert date

Consultations with Third Party Encumbrancers Required: Yes/No

Unopened Road Allowance: Yes/No

Unopened Road Allowance Lands: Insert land Description

Municipal Confirmation Date: Insert date

NOTES:

[Where appropriate: The Estimate of the Engineering and Construction Cost of the Line Connection Pool Work and the Estimate of Line Connection Pool Work Capital Contribution do not include any amounts associated with Hydro One's acquisition of 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) for the Line Connection Pool Work. The actual 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) and will be reflected in the Actual Engineering and Construction Cost of the Line Connection Pool Work and the Actual Line Connection Pool Work Capital Contribution.]

Part 3: Network Customer Allocated Work

Hydro One will:

Part 4: Network Pool Work (Non-Recoverable from Storage Provider)

Hydro One will:

Part 5: Work Chargeable to Storage Provider

Hydro One will:

Part 6: Scope Change

For the purposes of this Part 6 of Schedule "A", the term "Non-Storage Provider Initiated Scope Change(s)" means one or more changes that are required to be made to the Project Scope as detailed and documented in Parts 1 to 5 of this Schedule "A" such as a result of any one or more of the following:

- any environmental assessment(s);
- requirement for Hydro One to obtain approval under Section 92 (leave to construct) of the Ontario Energy Board Act if the transmission line route selected by Hydro One is greater than 2 km in length;
- Hydro One having to expropriate property under the Ontario Energy Board Act;

- conditions included by the OEB in any approval issued by the OEB under Section 92 of the Ontario Energy Board Act or any approval issued by the OEB to expropriate under the Ontario Energy Board Act; and
- any IESO requirements identified in the System Impact Assessment or any revisions thereto.

Any change in the Project Scope as detailed and documented in Parts 1 to 5 of this Schedule “A” whether they are initiated by the Storage Provider or are Non-Storage Provider Initiated Scope Changes, may result in a change to the Project costs estimated in Schedule “B” of this Agreement and the Project schedule, including the Ready for Service Date.

All Storage Provider initiated scope changes to this Project must be in writing to Hydro One.

Hydro One will advise the Storage Provider of any cost and schedule impacts of any Storage Provider initiated scope changes. Hydro One will advise the Storage Provider of any Material cost and/or Material schedule impacts of any Non-Storage Provider Initiated Scope Changes.

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

Hydro One will implement all Non-Storage Provider initiated scope changes until the estimate of the Engineering and Construction Cost of all of the Non-Storage Provider initiated scope changes made by Hydro One reaches 10% of the total sum of the estimates of the Engineering and Construction Cost of:

- (i) the Transformation Connection Pool Work,
- (ii) the Line Connection Pool Work;
- (iii) Network Pool Work;
- (iv) Network Storage Provider Allocated Work; and
- (v) The Work Chargeable to Storage Provider.

At that point, no further Non-Storage Provider initiated scope changes may be made by Hydro One without the written consent of the Storage Provider accepting new pricing and schedule impact. If the Storage Provider 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.

Schedule “B” Project Title: Scope of Storage Provider Connection Work

MISCELLANEOUS

Description of Storage Facility: 250MW (500MWh) battery energy storage system located in **Name/Town City**, Ontario:

- utilizing two hundred and fourteen (214) integrated battery pack and inverter system;
- connected to a Storage Provider-owned 34.5kV collector system with two switchgear configurations: the 34.5kV switchgear 1 and switchgear 2 is a double bus bar arrangement where one bus is used as a capacity bus and the second as a regulation bus; and
- with two (2) main step-up transformers, and each of the transformers will connect to Hydro One’s 230kV transmission system through a 230 kV circuit breaker and motorized disconnect switch. Transformer T1 will connect to 230 kV circuit N21J and transformer T2 will connect to 230 kV circuit N22J.

Revenue Metering: IESO compliant revenue metering to be provided by the Storage Provider.

GENERAL:

The Storage Provider 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 3(e) 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 Storage 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 Storage Provider’s real time contact and not an automated teleprompt/voice recording as it may require an immediate response from the Storage Provider) and will provide round-the-clock monitoring and control of the Storage Provider’s facilities;
- (f) ensure that the work to be performed by the Storage Provider 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) accept operating designations as assigned by Hydro One and install nameplates on the Storage Provider’s equipment;
- (h) use operating designations on all operating agreements, telemetry and protection documents and any other agreements that refer to equipment designation; and
- (i) satisfy all other requirements specific to the Connection.

LAND RIGHTS REQUIRED TO BE PROVIDED BY SERVICE PROVIDER:³

The Service Provider shall provide Hydro One with the following Land Rights required by Hydro One for the Hydro One Connection Work:

³ Cross-reference Section 24 of T&C and definition of Land Rights in Appendix A of the T&C

Easement(s) in Gross Required: Yes/No

Easement in Gross Lands: Insert land Description

Easement in Gross Term:

Easement in Gross Date: Insert date

Access Easement(s) Required: Yes/No

Access Easement Lands: Insert land Description

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

Access Easement Date: Insert date

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

Off-Corridor Access Required: Yes/No

Off-Corridor Access Land(s): Insert land Description

Off-Corridor Access Execution Date: Insert Date

Title to Lands Required: Yes/No

Lands to be Sold to Hydro One: Insert land Description

Closing Date: Insert date

DOCUMENTATION REQUIREMENTS:

Group A: 8 Weeks Following Execution Date

The Storage Provider shall provide Hydro One with the items below by no later than 8 weeks following the Execution Date:

- 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.
- Entrance structure (electrical & structural)
- General arrangement of the Storage Facility
- Line Tap connection: topography and survey
- A Basic layout for line tap. Basic layout of substation should include arrangement at the Storage Provider's Line entrance / dead end structure (electrical & structural).
- Line tap and MSO access plans.
- GPR study and associated station ground design.
- GeoTech study of line tap.

Group B: ____ Months Following Execution Date

The Storage Provider shall provide Hydro One with the items below by no later than **Insert #** months following the Execution Date:

- A final sketch of the Storage Facility using Hydro One issued operating designations.

- Single Line Diagram Protection description & accompanying documentation in draft form which should include, but is not limited to, the following:

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

Group C: By no later than ____ Months Following Execution Date

The Storage Provider shall provide Hydro One with the items below by no later than by no later than **Insert #** months following the Execution Date:

- Final Single Line Diagram and Protection Description
- Preliminary and final generator data, including excitation system performance, automatic voltage regulator (AVR), power factor regulator, power system stabilizer, static exciter and speed governor to ensure compliance with all applicable reliability standards required under the Market Rules.
- absorption / deliverance of VARs from/to Hydro One system to maintain the Storage Facility terminal voltage to a given set point.

SCOPE DETAILS:

In addition to the meeting the requirements described above under General, Land Rights Required from Storage Provider and Documentation Requirements, the Storage Provider will:

Schedule “C” Project Title: Capital Contribution(s), Payment Schedule, Revenue Requirements Etc.

MISCELLANEOUS

Risk Classification: i.e. Medium-Low Risk, Medium-High or High Risk

True-Up Points:

If Medium-Low Risk or Medium-High Risk – following the third, fifth and tenth anniversaries of the In Service Date

If High Risk – yearly following each anniversary of the In Service Date

Storage Provider’s HST Registration Number: Enter Number

Security Requirements: Specify amount or Nil

Security Date: day of , 20

Exceptional Circumstances re. Network Construction or Modifications: (Yes/No). If yes, describe the exceptional circumstances and the network construction or modifications.

Other Relevant Considerations: (i.e. are there any existing Connection and Cost Recovery Agreements or Feeder Allocation Agreements in place with the Storage Provider)

Existing Load Table:

	A	B
Existing Load Facility	Existing Load (MW) ¹	Normal Capacity (MW) ²

Existing Load Table Notes:

¹ Existing Load means the Storage Provider’s Assigned Capacity at the Existing Load Facility as of the date of this Agreement (Section 3.0.3 of the Transmission System Code).

² Any station load above the Normal Capacity of the Existing Load Facility (Overload) will be determined in accordance with Section 6.7.9 of the Transmission System Code and Hydro One’s OEB-approved Transmission Connection Procedures. If the Overload is transferred to the New or Modified Connection Facilities, the Overload will be credited to the Line Connection Revenue, Transformation Connection Revenue or Network Revenue requirement, whichever is applicable.

TRANSFORMATION CONNECTION POOL WORK¹

Estimate of the Engineering and Construction Cost of the Transformation Connection Pool Work²: \$ amount plus HST in the amount of \$ amount

Estimate of Transformation Connection Pool Work Capital Contribution¹: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Transformation Connection Pool Work²:
To be provided 180 days after the Ready for Service Date.

Actual Transformation Connection Pool Work Capital Contribution¹: To be provided 180 days after the Ready for Service Date.

Notes (only to be included where advancement costs are applicable):

- ¹ Notwithstanding any term to the contrary in this Agreement, the Transformation Connection Pool Capital Contribution payable by the Storage Provider includes a portion that is equal to the remaining net book value of **Insert Name of Connection Facility** plus the advancement cost in accordance with Section 6.7.2A of the Code as **Insert Name of Connection Facility** which has not reached its end-of-life and is being replaced at the request of the Storage Provider. The portion of the Capital Contribution for the remainder of the Transformation Connection Pool Work has been calculated in accordance with the Economic Evaluation Procedure in Hydro One's OEB-approved Connection Procedures.
- ² This amount excludes the advancement cost and remaining net book value of the replaced **Insert Name of Connection Facility**.

LINE CONNECTION POOL WORK¹

Estimate of the Engineering and Construction Cost of the Line Connection Pool Work²:
\$ amount plus HST in the amount of \$ amount

Estimate of Line Connection Pool Work Capital Contribution¹: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Line Connection Pool Work²: To be provided 180 days after the Ready for Service Date.

Actual Line Connection Pool Work Capital Contribution¹: To be provided 180 days after the Ready for Service Date.

Notes (only to be included where advancement costs are applicable):

- ¹ Notwithstanding any term to the contrary in this Agreement, the Line Connection Pool Capital Contribution payable by the Storage Provider includes a portion that is equal to the remaining net book value of **Insert Name of Connection Facility** plus the advancement cost in accordance with Section 6.7.2A of the Code as **Insert Name of Connection Facility** which has not reached its end-of-life and is being replaced at the request of the Storage Provider. The portion of the Capital Contribution for the remainder of the Line Connection Pool Work has been calculated in accordance with the Economic Evaluation Procedure in Hydro One's OEB-approved Connection Procedures.
- ² This amount excludes the advancement cost and remaining net book value of the replaced **Insert Name of Connection Facility**.

NETWORK CUSTOMER ALLOCATED WORK

Estimate of the Engineering and Construction Cost of the Network Customer Allocated Work: \$ amount plus HST in the amount of \$ amount

Estimate of the Network Customer Allocated Work Capital Contribution: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Network Customer Allocated Work: To be provided 180 days after the Ready for Service Date.

Actual Network Customer Allocated Work Capital Contribution: To be provided 180 days after the Ready for Service Date.

NETWORK POOL WORK (NON-RECOVERABLE FROM STORAGE PROVIDER):

The estimated Engineering and Construction Cost of the Network Pool Work (Non-Recoverable from Storage Provider) is: \$ amount. Subject to Sections 10.3 and 18 of the Standard Terms and Conditions, Hydro One will perform this work at its own expense.

WORK CHARGEABLE TO STORAGE PROVIDER

Estimate of the Engineering and Construction Cost of the Work Chargeable To Storage Provider: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Work Chargeable To Storage Provider: **To be provided 180 days after the Ready for Service Date.**

**MANNER OF PAYMENT OF THE ESTIMATE OF CAPITAL CONTRIBUTIONS
AND WORK CHARGEABLE TO STORAGE PROVIDER**

The Storage Provider shall pay Hydro One the estimate of the Transformation Connection Pool Work Capital Contribution, the Estimate of Line Connection Pool Work Capital Contribution, the estimate of the Network Storage Provider Allocated Work Capital Contribution and the estimate of the Engineering and Construction Cost of the Work Chargeable to Storage Provider by making the payments specified below on or before the Payment Milestone or Payment Date specified below. Other than for payments made prior to or due upon execution of this Agreement by the Storage Provider, Hydro One will invoice the Storage Provider 30 days prior to each Payment Milestone or Payment Date.

Payment Milestone or Date	Transformation Pool Work Capital Contribution	Line Pool Work Capital Contribution	Network Storage Provider Allocated Work Capital Contribution	Work Chargeable To Storage Provider	Total Payment Required
CCEA Payment(s)	\$ amount	\$ amount	\$ amount	\$ amount	\$ amount
Engineering Design Advance Payment	\$ amount	\$ amount	\$ amount	\$ amount	\$ amount
On execution of Agreement by Storage Provider	\$ amount	\$ amount	\$ amount	\$ amount	\$ amount

**TRANSFORMATION CONNECTION REVENUE REQUIREMENTS
AND LOAD FORECAST AT THE NEW OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** (MW)	Part of New Load (MW) Exceeding Normal Capacity of Existing Load Facilities [A] (Note A)	Adjusted Load Forecast (MW) [B]	Transformation Connection Revenue (k\$) for True-Up, based on [A] or [B], whichever is applicable
1 st Anniversary of In Service Date				
2 nd Anniversary of In Service Date				
3 rd Anniversary of In Service Date				
4 th Anniversary of In Service Date				
5 th Anniversary of In Service Date				
6 th Anniversary of In Service Date				
7 th Anniversary of In Service Date				
8 th Anniversary of In Service Date				
9 th Anniversary of In Service Date				
10 th Anniversary of In Service Date				
11 th Anniversary of In Service Date				
12 th Anniversary of In Service Date				
13 th Anniversary of In Service Date				
14 th Anniversary of In Service Date				
15 th Anniversary of In Service Date				

**LINE CONNECTION REVENUE REQUIREMENTS
AND LOAD FORECAST AT THE NEW OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** (MW)	Part of New Load (MW) Exceeding Normal Capacity of Existing Load Facilities [A] (Note A)	Adjusted Load Forecast (MW) [B]	Line Connection Revenue (k\$) for True-Up based on [A] or [B], whichever is applicable
1 st Anniversary of In Service Date				
2 nd Anniversary of In Service Date				
3 rd Anniversary of In Service Date				
4 th Anniversary of In Service Date				
5 th Anniversary of In Service Date				
6 th Anniversary of In Service Date				
7 th Anniversary of In Service Date				
8 th Anniversary of In Service Date				
9 th Anniversary of In Service Date				
10 th Anniversary of In Service Date				
11 th Anniversary of In Service Date				
12 th Anniversary of In Service Date				
13 th Anniversary of In Service Date				
14 th Anniversary of In Service Date				
15 th Anniversary of In Service Date				

**NETWORK REVENUE REQUIREMENTS AND LOAD FORECAST
AT THE NEW OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** (MW)	Part of New Load (MW) Exceeding Normal Capacity of Existing Load Facilities [A] (Note A)	Adjusted Load Forecast (MW) [B]	Network Revenue (k\$) for True-Up based on [A] or [B], whichever is applicable
1 st Anniversary of In Service Date				
2 nd Anniversary of In Service Date				
3 rd Anniversary of In Service Date				
4 th Anniversary of In Service Date				
5 th Anniversary of In Service Date				
6 th Anniversary of In Service Date				
7 th Anniversary of In Service Date				
8 th Anniversary of In Service Date				
9 th Anniversary of In Service Date				
10 th Anniversary of In Service Date				
11 th Anniversary of In Service Date				
12 th Anniversary of In Service Date				
13 th Anniversary of In Service Date				
14 th Anniversary of In Service Date				
15 th Anniversary of In Service Date				

Notes Applicable to All of the Above Revenue Requirements Tables:

^A New Load is based on Storage Provider's Load Forecast which includes Part of New Load Exceeding Normal Capacity of Existing Load Facilities. "Overload" is derived in accordance with Section 6.7.9 of the Transmission System Code and the OEB-Approved Connection Procedures. Any Storage Provider load below the Normal Capacity of the Existing Load Facilities transferred to the New or Modified Facilities will not be credited towards the Transformation Connection Revenue Requirements, Line Connection Revenue Requirements or the Network Connection Revenue Requirements. The discounted cash flow calculation for Network Revenue requirements will be based on Incremental Network Load which is New Load less the amount of load, if any, that has been by-passed by the Storage Provider at any of Hydro One's connection facilities.



Notes to Comparison Document:

- All references to Customer, Customer Facilities and Customer Connection Work have been changed to Storage Provider, Storage Provider Facilities and Storage Provider Connection Work. These global changes have been accepted for ease of reading.
- Under special circumstances, the clauses in Subsection 1(b) and sections 2-7 do appear in other CCRA's we have executed with load customers, as appropriate, but were not ordinarily part of the Agreement Template. They now form part of our 2021 update to the Load Customer Agreement Template.
- Reference to Service Provider appearing on page 12 in "LAND RIGHTS REQUIRED TO BE PROVIDED BY SERVICE PROVIDER" should have been "Storage Provider"

CONNECTION AND COST RECOVERY AGREEMENT (CCRA) ~~-LOAD-~~
STORAGE FACILITY

between

Storage Provider Legal Name

and

Hydro One Networks Inc.

for

the Connection of a ##### MW Storage Facility
to the Transmission System

Storage Provider's Full Legal Name (the "Storage Provider") has requested and Hydro One Networks Inc. ("**Hydro One**") has agreed to project description (the "**Project**") on the terms and conditions set forth in this Connection and Cost Recovery Agreement dated insert date, 20__ (the "**Agreement**"). The attached Standard Terms and Conditions for ~~Load Customer Transmission Customer~~ Storage Facility Connection Projects ~~V5-6-2014~~V1 4-2021 (the "Standard Terms and Conditions" or "T&C"). Schedules "A") and "B"the following schedules attached hereto and the Standard Terms and Conditions are to be read with and form part of this Agreement:

Schedule "A" - Scope of Hydro One Connection Work
Schedule "B" - Scope of Storage Provider Connection Work
Schedule "C" - Capital Contribution(s), Payment Schedule, Revenue Requirements Etc.
Schedule "D" - Form of Connection Agreement
Schedule "E" - Form of Grant of Easement in Gross
Schedule "F" - Form of Access Easement
Schedule "G" - Form of Early Access Agreement
Schedule "H" - Form of Off-Corridor Access Agreement
Schedule "I" - Form of Construction Staging and Stringing Area Agreement
Schedule "J" - Form of Agreement of Purchase and Sale

[Instructions: The legal agreements that are the subject of Schedules "E" – "I" will only need to be part of the Agreement if Hydro One needs to obtain that type of agreement from the Storage Provider or from a third party in respect of the Hydro One Connection Work. If one type is not required, leave in Schedule name and insert the words "Not Applicable" instead of inputting the template.]

Project Summary

The Project is the Connection of the Storage Facility to Hydro One's transmission system. To provide for the Connection of the Storage Facility:

- Hydro One will perform the Hydro One Connection Work; and
- the Storage Provider will perform the Storage Provider Connection Work.

Term: The term of this Agreement commences on the date first written above and terminates
[If Medium High Risk: 180 days after the 10th anniversary of the In Service Date.]
[If Medium Low Risk: on the 15th anniversary of the In Service Date.]
[If High Risk: 180 days after the 5th anniversary of the In Service Date]

Special Circumstances

1. In addition to the circumstances described in Section 5 of the Standard Terms and Conditions, the Ready for Service Date is subject to:

- (a) the Storage Provider executing and delivering this Agreement to Hydro One by no later than insert date, 20__, (the "Execution Date"); and
- (b) any delays from Hydro One being unable to commence all or any part of the Hydro One Connection Work and/or or delays that result in Hydro One having to cease performing all or any portion of the Hydro One Connection Work from time to time due to the impacts that the COVID-19 pandemic may have on our company during these uncertain times, including, without limitation:

- (i) Hydro One prioritizing work on other projects where the other customer must be prioritized as they are or will be performing an essential service in Ontario or are considered an essential construction project in Ontario;
- (ii) we may have limited availability of our personnel which may mean re-deploying our personnel working on your Project to perform Hydro One's own essential service work or work on other customer connection projects where customers either executed Connection Cost Recovery Agreements prior to this one being executed or where the other customer must be prioritized as they are or will be performing an essential service in Ontario or are considered an essential construction project in Ontario;
- (iii) the productivity of our personnel being diminished or impacted including by reason of ensuring that our employees are appropriately social distanced;
- (iv) our contractors and supply chains being impacted by the pandemic such that we cannot obtain or must wait longer for services we require from third parties or there are shortages in either availability of equipment and materials required to perform the Hydro One Connection Work; and
- (v) our work sites (such as stations) not being available or having limited availability including, without limitation, by reason of a person who was previously at that site develops symptoms of COVID-19 and the site must be deep cleaned.

2. **INSTRUCTIONS:** THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE APPLICABLE I.E. STORAGE PROVIDER HAS EXECUTED A CCEA WITH HYDRO ONE THAT WILL NOT BE SEPARATELY COST RECONCILED.] Hydro One and the Storage Provider are parties to a Connection Cost Estimate Agreement dated insert date, 20__ (the "CCEA") and the parties acknowledge and agree that:

- (a) the Storage Provider made advance payment(s) of \$●(plus HST in the amount of \$●) (the "CCEA Payment(s)") towards the cost of the Work (as that term is defined in the CCEA) (the "CCEA Work");
- (b) Hydro One performed the CCEA Work at a cost of \$● (plus HST in the amount of \$●) ("Cost of CCEA Work"); and
- (c) notwithstanding any term to the contrary in any the CCEA, the CCEA Payment is credited against the amounts payable by the Storage Provider under the terms of this Agreement and the Cost of CCEA Work is included in this Agreement; and
- (d) the CCEA is deemed to be amended to reflect the inclusion of the Cost of CCEA Work and the CCEA Payment in this Agreement and that there will be no separate cost reconciliation process under the terms of the CCEA.

3. **INSTRUCTIONS:** THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE THE ESTIMATE IS NOT HYDRO ONE'S STANDARD QUALITY BY REASON OF LOWER QUALITY ESTIMATE ACCEPTED BY STORAGE PROVIDER UNDER THE TERMS OF A CCEA PERFORMED DURING THE COVID-19 PANDEMIC AND THE CCEA CONTAINS PART IX TITLED "IMPACT OF COVID-19 ON THE PERFORMANCE AND QUALITY OF THE WORK".]

The Storage Provider acknowledges and agrees that pursuant to the terms of the Connection Cost Estimate Agreement dated insert date, 20__, the Storage Provider accepted the risks associated with Hydro One performing a lower quality estimate being a budgetary estimate generally in the range of -50/+100% ("Budgetary Estimate") which

means that the scope of the Hydro One Connection Work set out in this Agreement contains a number of assumptions which if they are incorrect may materially change the scope of the Hydro One Connection Work from what is identified in Schedule "A", delay the Ready for Service Date identified herein and/or increase the Engineering and Construction Cost of the Hydro One Connection Work and may also materially change the scope of the Storage Provider Connection Work to be performed by the Storage Provider from what is identified in Schedule "B".

4. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE THE STORAGE PROVIDER REQUESTS THAT HYDRO ONE BYPASS THE CCEA AND ENTER INTO A CCRA.]** The Customer acknowledges and agrees that:

(a) the Customer has requested that Hydro One proceed with the execution of this Agreement rather than enter into a Connection Cost Estimate Agreement where Hydro One would provide the Customer with an estimate of the Engineering and Construction Cost of the "Hydro One Work that is a release quality estimate generally in the range of -20/+30% ("**Release Quality Estimate**") and a scope of work for the Hydro One Work in Schedule "A" which is generally final unless an assumption identified in Schedule "A" is incorrect or untrue.

(b) the Storage Provider accepted the following risks associated with Hydro One performing a high level assessment of the Project to provide the Customer with the scope of the Hydro One Connection Work in Schedule "A" and the scope of the Storage Provider Connection Work in Schedule "B"; and an estimate of the Engineering and Construction Cost of the Hydro One Connection Work identified in Schedule "C" which is a high level estimate which is generally in the range of -50/+100% ("**Budgetary Estimate**"):

(i) the scope of the Hydro One Connection Work set out in this Agreement contains a number of assumptions which if they are incorrect may materially change the scope of the Hydro One Connection Work from what is identified in Schedule "A"; and

(ii) the scope of the Storage Provider Connection Work set out in this Agreement contains a number of assumptions which if they are incorrect may materially change the scope of the Storage Provider Connection Work from what is identified in Schedule "B"; and

(iii) a material change to either the scope of the Hydro One Connection Work or the scope of the Storage Provider Connection Work may materially delay the Ready for Service Date and/or substantially increase the Engineering and Construction Cost of the Hydro One Connection Work beyond the range of the Budgetary Estimate.

5. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE HYDRO ONE AND THE STORAGE PROVIDER ENTERED INTO AN AGREEMENT FOR ADVANCE PAYMENT OF ENGINEERING DESIGN WORK PRIOR TO EXECUTION OF A CCRA.]** Hydro One and the Customer are parties to an Agreement for Advance Payment of Engineering Design Work Prior to Execution of a CCRA in respect of the connection of the Project to Hydro One's transmission system dated insert date, 20 ____ ("**Engineering Design Agreement**"):

(a) pursuant to which the Customer provided an Advance Payment of \$● plus HST in the amount of \$● (the "**Engineering Design Advance Payment**") for performance of the Engineering Design Work;

(b) which required that the scope of the work and the cost estimate in this Agreement include the Engineering Design Work;

(c) which required that the Engineering Design Advance Payment be credited against the amounts payable by the Customer under the terms of this Agreement;

and as such, Hydro One:

1. included the Engineering Design Work in the scope of the Hydro One Work and the estimate of the Engineering and Construction Cost of the Hydro One Work identified in this Agreement; and
2. credited the Engineering Design Advance Payment against the amounts payable by the Customer under the terms of this Agreement.

6. **[INSTRUCTIONS: THE FOLLOWING SPECIAL CIRCUMSTANCE CLAUSE IS ONLY TO BE USED WHERE APPLICABLE.]** Hydro One and the Customer have agreed to negotiate an acceptable Ready for Service Date (“**negotiated Ready for Service Date**”) by no later than sixty (60) business days following the execution of this Agreement. The negotiated Ready for Service Date shall be documented in an Amending Agreement executed by the Parties hereto. If the Parties cannot agree on a Ready for Service Date by the expiry of the period of time referenced herein, Hydro One and the Customer shall follow the Dispute Resolution Procedure set out in Hydro One’s OEB-Approved Transmission Connection Procedures to resolve the dispute.

7. The Storage Provider acknowledges and agrees that in addition to the circumstances described in Section 16 of the Standard Terms and Conditions, Hydro One shall have the right to perform work at overtime rates and charge the Storage Provider “Premium Costs” for same without obtaining the Storage Provider’s consent during transmission system outages taken to perform Hydro One Connection Work and/or commissioning.

Entire Agreement

Subject to Section 31, this Agreement 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.

Notice

Any written notice required by the Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Hydro One Networks at 483 Bay Street, 8th Floor, South Tower, Toronto, ON M5G 2P5, fax no: (416) 345-6972 on behalf of Hydro One, and to the person at the address specified in Schedule “A” of the Agreement on behalf of the Storage Provider. A faxed notice shall be deemed to be received on the date of the fax if received before 3 p.m. on a business day or on the next business day if received after 3 p.m. or a day that is not a business day. 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.

[Counterparts Clause and Signature Page Follows]

Counterparts and Electronic Signatures

This Agreement may be executed by the parties in writing or via electronic signatures and in one or more in counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement. Counterparts may be delivered via fax, electronic mail (in portable document format) or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and be valid and effective for all purposes.

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

IF THE STORAGE PROVIDER IS A CORPORATION:
[FULL LEGAL NAME OF STORAGE PROVIDER]

Name:
Title:
I have the authority to bind the Corporation.

IF THE STORAGE PROVIDER IS A LIMITED PARTNERSHIP/L.P.:

[INSERT FULL LEGAL NAME OF LP], by its general partner, **[INSERT FULL LEGAL NAME]**

Name:
Title:
I have the authority to bind the General Partner.
The General Partner has the authority to bind the Limited Partnership.

HYDRO ONE NETWORKS INC.

Name:
Title:
Execution Date:
I have the authority to bind the Corporation

Schedule “A” Project Title: Scope of Hydro One Connection Work

MISCELLANEOUS

New or Modified Connection Facilities: Describe

Connection Point: nomenclature

Approval Date (if Section 92 required to be obtained by Hydro One): Insert date, 202____ or Not applicable due to not required or previously obtained by Storage Provider

Ready for Service Date: insert date, 202____

Ownership: Hydro One will own all equipment provided by Hydro One as part of the Hydro One Connection Work with the exception of insert description of anything being constructed, installed or put together by Hydro One that is to be owned by the Storage Provider

GENERAL:

Hydro One will provide project management, engineering, equipment and material, construction and commissioning of the Hydro One Connection Work. The scope of the Hydro One Connection Work is based on the requirements from:

- the IESO’s System Impact Assessment (SIA) Report dated **insert date, 20____** (CAA ID #20____-xxxx;
- the IESO’s System Impact Assessment (SIA) Addendum Report(s) dated **insert date, 20____** (CAA ID #20____-xxxx;
- Hydro One’s Storage Provider Impact Assessment (CIA) Report dated **insert date, 20____**; and
- Hydro One’s Storage Provider Impact Assessment (CIA) Addendum Report(s) dated **insert date, 20____**.

Hydro One, or its agents:

- (i) 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;
- (ii) shall repair any damage caused to lands, owned by Hydro One or third parties, associated with or related to the Hydro One Connection Work;
- (iii) 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
- (iv) scrap all materials and equipment removed by Hydro One, or its agents, at site unless specifically stated otherwise.

SCOPE DETAILS (BY CATEGORY):

Part 1: Transformation Connection Pool Work

Hydro One will obtain the following Land Rights for the Transformation Connection Pool Work¹:

Easement(s) in Gross Required: Yes/No

¹ Cross-reference: Section 24 of T&C and definition of Land Rights in Appendix A of the T&C.

Easement in Gross Lands: Insert land Description

Easement in Gross Term:

Easement in Gross Date: Insert date

Access Easement(s) Required: Yes/No

Access Easement Lands: Insert land Description

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

Access Easement Date: Insert date

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

Early Access Agreement(s) Required: Yes/No

Early Access Lands: Insert land Description

Early Access Execution Date: Insert date

Off-Corridor Access Required: Yes/No

Off-Corridor Access Land(s): Insert land Description

Off-Corridor Access Execution Date: Insert Date

Construction Staging and Stringing Area Required: Yes/No

Construction Staging and Stringing Area Land(s): Insert land Description

Construction Staging and Stringing Area Execution Date: Insert date

Title to Lands Required: Yes/No

Lands to be Acquired for Hydro One: Insert land Description

Closing Date: Insert date

Work Chargeable to Customer on Crown (MNR) Lands: Yes/No

Date Work Permit/Letter of Consent Required:

Pipeline and/or Railway Company Approvals Required: Yes/No

Affected Pipeline/Railway Companies: List Companies

Railway/Pipeline Approval Date: Insert date

Consultations with Third Party Encumbrancers Required: Yes/No

Unopened Road Allowance: Yes/No

Unopened Road Allowance Lands: Insert land Description

Municipal Confirmation Date: Insert date

NOTES:

[Where appropriate: The Estimate of the Engineering and Construction Cost of the Transformation Connection Pool Work and the Estimate of Transformation Connection Pool Work Capital Contribution do not include any amounts associated with Hydro One's acquisition of 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) for the Transformation

Connection Pool Work. The actual 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) and will be reflected in the Actual Engineering and Construction Cost of the Transformation Connection Pool Work and the Actual Transformation Connection Pool Work Capital Contribution.]

Part 2: Line Connection Pool Work

Hydro One will obtain the following Land Rights for the Line Connection Pool Work²:

Easement(s) in Gross Required: Yes/No

Easement in Gross Lands: Insert land Description

Easement in Gross Term:

Easement in Gross Date: Insert date

Access Easement(s) Required: Yes/No

Access Easement Lands: Insert land Description

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

Access Easement Date: Insert date

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

Early Access Agreement(s) Required: Yes/No

Early Access Lands: Insert land Description

Early Access Execution Date: Insert date

Off-Corridor Access Required: Yes/No

Off-Corridor Access Land(s): Insert land Description

Off-Corridor Access Execution Date: Insert Date

Construction Staging and Stringing Area Required: Yes/No

Construction Staging and Stringing Area Land(s): Insert land Description

Construction Staging and Stringing Area Execution Date: Insert date

Title to Lands Required: Yes/No

Lands to be Acquired for Hydro One: Insert land Description

Closing Date: Insert date

Work Chargeable to Customer on Crown (MNR) Lands: Yes/No

Date Work Permit/Letter of Consent Required:

² Cross-reference: Section 24 of T&C and definition of Land Rights in Appendix A of the T&C.

Pipeline and/or Railway Company Approvals Required: Yes/No

Affected Pipeline/Railway Companies: List Companies

Railway/Pipeline Approval Date: Insert date

Consultations with Third Party Encumbrancers Required: Yes/No

Unopened Road Allowance: Yes/No

Unopened Road Allowance Lands: Insert land Description

Municipal Confirmation Date: Insert date

NOTES:

[Where appropriate: The Estimate of the Engineering and Construction Cost of the Line Connection Pool Work and the Estimate of Line Connection Pool Work Capital Contribution do not include any amounts associated with Hydro One's acquisition of 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) for the Line Connection Pool Work. The actual 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) and will be reflected in the Actual Engineering and Construction Cost of the Line Connection Pool Work and the Actual Line Connection Pool Work Capital Contribution.]

Part 3: Network Customer Allocated Work

Hydro One will:

Part 4: Network Pool Work (Non-Recoverable from Storage Provider)

Hydro One will:

Part 5: Work Chargeable to Storage Provider

Hydro One will:

Part 6: Scope Change

For the purposes of this Part 6 of Schedule "A", the term "Non-Storage Provider Initiated Scope Change(s)" means one or more changes that are required to be made to the Project Scope as detailed and documented in Parts 1 to 5 of this Schedule "A" such as a result of any one or more of the following:

- any environmental assessment(s);
- requirement for Hydro One to obtain approval under Section 92 (leave to construct) of the Ontario Energy Board Act if the transmission line route selected by Hydro One is greater than 2 km in length;

- Hydro One having to expropriate property under the Ontario Energy Board Act;
- conditions included by the OEB in any approval issued by the OEB under Section 92 of the Ontario Energy Board Act or any approval issued by the OEB to expropriate under the Ontario Energy Board Act; and
- any IESO requirements identified in the System Impact Assessment or any revisions thereto.

Any change in the Project Scope as detailed and documented in Parts 1 to 5 of this Schedule "A" whether they are initiated by the Storage Provider or are Non-Storage Provider Initiated Scope Changes, may result in a change to the Project costs estimated in Schedule "B" of this Agreement and the Project schedule, including the Ready for Service Date.

All Storage Provider initiated scope changes to this Project must be in writing to Hydro One.

Hydro One will advise the Storage Provider of any cost and schedule impacts of any Storage Provider initiated scope changes. Hydro One will advise the Storage Provider of any Material cost and/or Material schedule impacts of any Non-Storage Provider Initiated Scope Changes.

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

Hydro One will implement all Non-Storage Provider initiated scope changes until the estimate of the Engineering and Construction Cost of all of the Non-Storage Provider initiated scope changes made by Hydro One reaches 10% of the total sum of the estimates of the Engineering and Construction Cost of:

- (i) the Transformation Connection Pool Work,
- (ii) the Line Connection Pool Work;
- (iii) Network Pool Work;
- (iv) Network Storage Provider Allocated Work; and
- (v) The Work Chargeable to Storage Provider.

At that point, no further Non-Storage Provider initiated scope changes may be made by Hydro One without the written consent of the Storage Provider accepting new pricing and schedule impact. If the Storage Provider 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.

Schedule “B” Project Title: Scope of Storage Provider Connection Work

MISCELLANEOUS

Description of Storage Facility:

Revenue Metering: IESO compliant revenue metering to be provided by the Storage Provider.

GENERAL:

The Storage Provider 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 3(e) 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 Storage 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 Storage Provider’s real time contact and not an automated teleprompt/voice recording as it may require an immediate response from the Storage Provider) and will provide round-the-clock monitoring and control of the Storage Provider’s facilities;
- (f) ensure that the work to be performed by the Storage Provider 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) accept operating designations as assigned by Hydro One and install nameplates on the Storage Provider’s equipment;
- (h) use operating designations on all operating agreements, telemetry and protection documents and any other agreements that refer to equipment designation; and
- (i) satisfy all other requirements specific to the Connection.

LAND RIGHTS REQUIRED TO BE PROVIDED BY SERVICE PROVIDER:³

The Service Provider shall provide Hydro One with the following Land Rights required by Hydro One for the Hydro One Connection Work:

Easement(s) in Gross Required: Yes/No

Easement in Gross Lands: Insert land Description

Easement in Gross Term:

Easement in Gross Date: Insert date

Access Easement(s) Required: Yes/No

³ Cross-reference Section 24 of T&C and definition of Land Rights in Appendix A of the T&C

Access Easement Lands: Insert land Description

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

Access Easement Date: Insert date

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

Off-Corridor Access Required: Yes/No

Off-Corridor Access Land(s): Insert land Description

Off-Corridor Access Execution Date: Insert Date

Title to Lands Required: Yes/No

Lands to be Sold to Hydro One: Insert land Description

Closing Date: Insert date

DOCUMENTATION REQUIREMENTS:

Group A: 8 Weeks Following Execution Date

The Storage Provider shall provide Hydro One with the items below by no later than 8 weeks following the Execution Date:

- 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.
- Entrance structure (electrical & structural)
- General arrangement of the Storage Facility
- Line Tap connection: topography and survey
- A Basic layout for line tap. Basic layout of substation should include arrangement at the Storage Provider's Line entrance / dead end structure (electrical & structural).
- Line tap and MSO access plans.
- GPR study and associated station ground design.
- GeoTech study of line tap.

Group B: ____ Months Following Execution Date

The Storage Provider shall provide Hydro One with the items below by no later than **Insert #** months following the Execution Date:

- A final sketch of the Storage Facility using Hydro One issued operating designations.
- Single Line Diagram Protection description & accompanying documentation in draft form which should include, but is not limited to, the following:
 - 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
- Power transformer and generator nameplate ratings
- Relay settings including relay logic diagrams, coordination studies and fault calculations.

Group C: By no later than ____ Months Following Execution Date

The Storage Provider shall provide Hydro One with the items below by no later than by no later than **Insert #** months following the Execution Date:

- Final Single Line Diagram and Protection Description
- Preliminary and final generator data, including excitation system performance, automatic voltage regulator (AVR), power factor regulator, power system stabilizer, static exciter and speed governor to ensure compliance with all applicable reliability standards required under the Market Rules.
- absorption / deliverance of VARs from/to Hydro One system to maintain the Storage Facility terminal voltage to a given set point.

SCOPE DETAILS:

In addition to the meeting the requirements described above under General, Land Rights Required from Storage Provider and Documentation Requirements, the Storage Provider will:

Schedule “C” Project Title: Capital Contribution(s), Payment Schedule, Revenue Requirements Etc.

MISCELLANEOUS

Risk Classification: i.e. Medium-Low Risk, Medium-High or High Risk

True-Up Points:

If Medium-Low Risk or Medium-High Risk – following the third, fifth and tenth anniversaries of the In Service Date

If High Risk – yearly following each anniversary of the In Service Date

Storage Provider’s HST Registration Number: Enter Number

Security Requirements: Specify amount or Nil

Security Date: day of , 20

Exceptional Circumstances re. Network Construction or Modifications: (Yes/No). If yes, describe the exceptional circumstances and the network construction or modifications.

Other Relevant Considerations: (i.e. are there any existing Connection and Cost Recovery Agreements or Feeder Allocation Agreements in place with the Storage Provider)

Capital Contribution Includes the Cost of Capacity Not Needed by the Customer:

\$ amount plus HST in the amount of \$ amount

Existing Load Table:

	A	B
Existing Load Facility	Existing Load (MW) ¹	Normal Capacity (MW) ²

Existing Load Table Notes:

¹ Existing Load means the Storage Provider’s Assigned Capacity at the Existing Load Facility as of the date of this Agreement (Section 3.0.3 of the Transmission System Code).

² Any station load above the Normal Capacity of the Existing Load Facility (Overload) will be determined in accordance with Section 6.7.9 of the Transmission System Code and Hydro One’s [OEB-approved Transmission](#) Connection Procedures. If the Overload is transferred to the New or Modified Connection Facilities, the Overload will be credited to the Line Connection Revenue, Transformation Connection Revenue or Network Revenue requirement, whichever is applicable.

TRANSFORMATION CONNECTION POOL WORK¹

Estimate of the Engineering and Construction Cost of the Transformation Connection Pool Work²: \$ amount plus HST in the amount of \$ amount

Estimate of Transformation Connection Pool Work Capital Contribution¹: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Transformation Connection Pool Work²:
To be provided 180 days after the Ready for Service Date.

Actual Transformation Connection Pool Work Capital Contribution¹: To be provided 180 days after the Ready for Service Date.

Notes (only to be included where advancement costs are applicable):

¹ Notwithstanding any term to the contrary in this Agreement, the Transformation Connection Pool Capital Contribution payable by the Storage Provider includes a portion that is equal to the remaining net book value of Insert Name of Connection Facility plus the advancement cost in accordance with Section 6.7.2A of the Code as Insert Name of Connection Facility which has not reached its end-of-life and is being replaced at the request of the Storage Provider. The portion of the Capital Contribution for the remainder of the Transformation Connection Pool Work has been calculated in accordance with the Economic Evaluation Procedure in Hydro One's OEB-approved Connection Procedures.

² This amount excludes the advancement cost and remaining net book value of the replaced Insert Name of Connection Facility.

LINE CONNECTION POOL WORK¹

Estimate of the Engineering and Construction Cost of the Line Connection Pool Work²:
\$ amount plus HST in the amount of \$ amount

Estimate of Line Connection Pool Work Capital Contribution¹: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Line Connection Pool Work²: To be provided 180 days after the Ready for Service Date.

Actual Line Connection Pool Work Capital Contribution¹: To be provided 180 days after the Ready for Service Date.

Notes (only to be included where advancement costs are applicable):

¹ Notwithstanding any term to the contrary in this Agreement, the Line Connection Pool Capital Contribution payable by the Storage Provider includes a portion that is equal to the remaining net book value of Insert Name of Connection Facility plus the advancement cost in accordance with Section 6.7.2A of the Code as Insert Name of Connection Facility which has not reached its end-of-life and is being replaced at the request of the Storage Provider. The portion of the Capital Contribution for the remainder of the Line Connection Pool Work has been calculated in accordance with the Economic Evaluation Procedure in Hydro One's OEB-approved Connection Procedures.

² This amount excludes the advancement cost and remaining net book value of the replaced Insert Name of Connection Facility.

NETWORK CUSTOMER ALLOCATED WORK

Estimate of the Engineering and Construction Cost of the Network Customer Allocated Work: \$ amount plus HST in the amount of \$ amount

Estimate of the Network Customer Allocated Work Capital Contribution: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Network Customer Allocated Work: To be provided 180 days after the Ready for Service Date.

Actual Network Customer Allocated Work Capital Contribution: To be provided 180 days after the Ready for Service Date.

NETWORK POOL WORK (NON-RECOVERABLE FROM STORAGE PROVIDER):

The estimated Engineering and Construction Cost of the Network Pool Work (Non-Recoverable from Storage Provider) is: \$ amount. Subject to Sections 10.3 and 18 of the Standard Terms and Conditions, Hydro One will perform this work at its own expense.

WORK CHARGEABLE TO STORAGE PROVIDER

Estimate of the Engineering and Construction Cost of the Work Chargeable To Storage Provider: \$ amount plus HST in the amount of \$ amount

Actual Engineering and Construction Cost of the Work Chargeable To Storage Provider: **To be provided 180 days after the Ready for Service Date.**

**MANNER OF PAYMENT OF THE ESTIMATE OF CAPITAL CONTRIBUTIONS
AND WORK CHARGEABLE TO STORAGE PROVIDER**

The Storage Provider shall pay Hydro One the estimate of the Transformation Connection Pool Work Capital Contribution, the Estimate of Line Connection Pool Work Capital Contribution, the estimate of the Network Storage Provider Allocated Work Capital Contribution and the estimate of the Engineering and Construction Cost of the Work Chargeable to Storage Provider by making the payments specified below on or before the Payment Milestone or Payment Date specified below. Other than for payments made prior to or due upon execution of this Agreement by the Storage Provider, Hydro One will invoice the Storage Provider 30 days prior to each Payment Milestone or Payment Date.

Payment Milestone or Date	Transformation Pool Work Capital Contribution	Line Pool Work Capital Contribution	Network Storage Provider Allocated Work Capital Contribution	Work Chargeable To Storage Provider	Total Payment Required
CCEA Payment(s)	\$ amount	\$ amount	\$ amount	\$ amount	\$ amount
Engineering Design Advance Payment	\$ amount	\$ amount	\$ amount	\$ amount	\$ amount
On execution of Agreement by Storage Provider	\$ amount	\$ amount	\$ amount	\$ amount	\$ amount

**TRANSFORMATION CONNECTION REVENUE REQUIREMENTS
AND LOAD FORECAST AT THE NEW OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** (MW)	Part of New Load (MW) Exceeding Normal Capacity of Existing Load Facilities [A] (Note A)	Adjusted Load Forecast (MW) [B]	Transformation Connection Revenue (k\$) for True-Up, based on [A] or [B], whichever is applicable
1 st Anniversary of In Service Date				
2 nd Anniversary of In Service Date				
3 rd Anniversary of In Service Date				
4 th Anniversary of In Service Date				
5 th Anniversary of In Service Date				
6 th Anniversary of In Service Date				
7 th Anniversary of In Service Date				
8 th Anniversary of In Service Date				
9 th Anniversary of In Service Date				
10 th Anniversary of In Service Date				
11 th Anniversary of In Service Date				
12 th Anniversary of In Service Date				
13 th Anniversary of In Service Date				
14 th Anniversary of In Service Date				
15 th Anniversary of In Service Date				

**LINE CONNECTION REVENUE REQUIREMENTS
AND LOAD FORECAST AT THE NEW OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** (MW)	Part of New Load (MW) Exceeding Normal Capacity of Existing Load Facilities [A] (Note A)	Adjusted Load Forecast (MW) [B]	Line Connection Revenue (k\$) for True-Up based on [A] or [B], whichever is applicable
1 st Anniversary of In Service Date				
2 nd Anniversary of In Service Date				
3 rd Anniversary of In Service Date				
4 th Anniversary of In Service Date				
5 th Anniversary of In Service Date				
6 th Anniversary of In Service Date				
7 th Anniversary of In Service Date				
8 th Anniversary of In Service Date				
9 th Anniversary of In Service Date				
10 th Anniversary of In Service Date				
11 th Anniversary of In Service Date				
12 th Anniversary of In Service Date				
13 th Anniversary of In Service Date				
14 th Anniversary of In Service Date				
15 th Anniversary of In Service Date				

**NETWORK REVENUE REQUIREMENTS AND LOAD FORECAST
AT THE NEW OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** (MW)	Part of New Load (MW) Exceeding Normal Capacity of Existing Load Facilities [A] (Note A)	Adjusted Load Forecast (MW) [B]	Network Revenue (k\$) for True-Up based on [A] or [B], whichever is applicable
1 st Anniversary of In Service Date				
2 nd Anniversary of In Service Date				
3 rd Anniversary of In Service Date				
4 th Anniversary of In Service Date				
5 th Anniversary of In Service Date				
6 th Anniversary of In Service Date				
7 th Anniversary of In Service Date				
8 th Anniversary of In Service Date				
9 th Anniversary of In Service Date				
10 th Anniversary of In Service Date				
11 th Anniversary of In Service Date				
12 th Anniversary of In Service Date				
13 th Anniversary of In Service Date				
14 th Anniversary of In Service Date				
15 th Anniversary of In Service Date				

Notes Applicable to All of the Above Revenue Requirements Tables:

^A New Load is based on Storage Provider's Load Forecast which includes Part of New Load Exceeding Normal Capacity of Existing Load Facilities. "Overload" is derived in accordance with Section 6.7.9 of the Transmission System Code and the OEB-Approved Connection Procedures. Any Storage Provider load below the Normal Capacity of the Existing Load Facilities transferred to the New or Modified Facilities will not be credited towards the Transformation Connection Revenue Requirements, Line Connection Revenue Requirements or the Network Connection Revenue Requirements. The discounted cash flow calculation for Network Revenue requirements will be based on Incremental Network Load which is New Load less the amount of load, if any, that has been by-passed by the Storage Provider at any of Hydro One's connection facilities.