

BY EMAIL AND RESS

April 21, 2022

Ms. Christine E. Long
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Re: NextBridge-HONI Connection Facilities Agreement

Dear Ms. Long:

Pursuant the direction in the Board's Decision and Order, EB-2020-0150 at 47 (June 17, 2021), NextBridge Infrastructure LP ("NextBridge") hereby submits the NextBridge and Hydro One Networks, Inc. ("HONI") Connection Facilities ("Agreement"). The attached Agreement has redacted out personal information, highly competitive commercial terms and conditions, and critical infrastructure information. The unredacted, confidential version of the Agreement is being provided to the Board in accordance with the Board's *Practice Direction on Confidential Filings*.

Sincerely,

Jennifer Tidmarsh
Project Director, NextBridge



Digitally signed
by Jennifer
Tidmarsh
Date: 2022.04.21
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Connection Facilities Agreement

Between

Hydro One Networks Inc.

And

Upper Canada Transmission, Inc.

For the

230 kV Connection

Wawa x Marathon x Lakehead

W35M, W36M, M37L & M38L

Effective Date: March 22, 2022

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THIS CONNECTION FACILITIES AGREEMENT
made effective as of MARCH 22, 2022

BETWEEN:

HYDRO ONE NETWORKS INC., a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as “**Hydro One Networks**”)

PARTY OF THE FIRST PART;

- and -

UPPER CANADA TRANSMISSION, INC. (hereinafter referred to as “**UCTI**”)

PARTY OF THE SECOND PART.

WHEREAS UCTI and Hydro One Networks are licensed transmitters in the Province of Ontario;

WHEREAS in accordance with Section 6.8.1 of the Transmission System Code, the Parties wish to enter into this Agreement and to describe the terms and conditions applicable to the operation of the Connection Facilities and the Connection of each Party’s Transmission Systems to the other’s;

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

Article I: **GENERAL**

1.1 Each of the Parties hereto confirms the truth and accuracy of the recitals and agrees that the recitals form part of this Agreement.

1.2 This Agreement constitutes the entire agreement between the Parties with respect to the Connection Facilities and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement.

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

1.4 In this Agreement, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to a person means: (i) an individual, (ii) a company, sole proprietorship, partnership, trust, joint venture, association, corporation or other private or public body corporate; and (iii) any government, government agency or body, regulatory agency or body or other body politic or collegiate;
- (c) a reference to a person includes that person’s successors and permitted assigns;
- (d) a reference to a Party includes any person acting on behalf of that Party;

- (e) a reference to a Party’s Facilities is limited to such facilities as are relevant to that Party’s connection to the other Party’s transmission system under this Agreement;
- (f) 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;
- (g) 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;
- (h) references in this Agreement to Sections, Articles or schedules are to sections, articles and Schedules of this Agreement;
- (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, other parts of speech and grammatical forms of the word or phrase have a corresponding meaning.

1.5 Any written notice required by this Agreement shall be deemed properly given only if either mailed, facsimiled, delivered by electronic mail or delivered to the addresses specified in Schedule “G”. Notices sent by registered mail shall be deemed to have been received on the date indicated on the delivery receipt. Notices sent by courier, electronic mail or facsimile shall be deemed to have been received on the date indicated in the delivery receipt or transmission slip if delivered during normal business hours; if not delivered during normal business hours, delivery shall be deemed to have occurred on the next Business Day. The designation of the person to be so notified or the address, electronic mail address or facsimile number of such person may be changed at any time by either Party by written notice.

1.6 The Schedules that form part of this Agreement are hereby incorporated by reference into this Agreement.

1.7 Either Party may assign this Agreement upon obtaining the consent of the other Party, which consent shall not be unreasonably withheld. This Agreement shall extend to, be binding upon and enure to the benefit of the said assigns and the respective successors of UCTI and Hydro One Networks. Notwithstanding, any term to the contrary in this Agreement, UCTI may pledge, collaterally assign or encumber its rights under this Agreement, without Hydro One Networks’ consent, to a lender or secured party in connection with any financing or refinancing of the Transmission Facilities owned by UCTI; provided that, any such collateral assignment, pledge or encumbrance will not relieve UCTI of its obligations under this Agreement.

1.8 Neither this Agreement nor any provision hereof is intended to confer upon any person other than the Parties hereto any rights or remedies hereunder.

1.9 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.

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

1.11 This Agreement shall be binding upon and enure to the benefit of the Parties, and extend to their successors and permitted assigns.

1.12 Any Article or Section of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed from this Agreement, and shall be ineffective to the extent of such illegality, invalidity or unenforceability, and shall not affect or impair the remaining provisions hereof.

1.13 If the OEB (or any successor boards or agencies), a court of competent jurisdiction or other governmental entity with the appropriate jurisdiction (collectively, the "**Regulatory Bodies**") issues a rule, regulation, law or order that has the effect of cancelling, changing or superseding any term or provision of this Agreement (the "Regulatory Requirement"), then this Agreement will be deemed modified to the extent necessary to comply with the Regulatory Requirement.

Notwithstanding the foregoing, if the Regulatory Body materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one or both of the Parties, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then either Party shall have the right to unilaterally terminate this Agreement. Nothing in this Agreement shall be construed

as affecting in any way the rights of either Party to unilaterally make application to any one or more of the Regulatory Bodies having jurisdiction over the Party for a change in rates, terms and conditions, charges, classifications of service, rule or regulation.

1.14 Both Parties acknowledge and agree as licensed transmitters, both Parties are bound at all times to comply with the Code in addition to complying with the provisions of this Agreement.

1.15 Except as otherwise provided herein, no modification or supplement to this 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 this Agreement.

1.16 Nothing in this Agreement shall be construed as requiring:

- (a) Hydro One Networks to act contrary to or refrain from acting in accordance with the directions made by the IESO in respect of operation of Hydro One Networks' Transmission System and/or the terms of IESO-Hydro One Operating Agreement; and
- (b) UCTI to act contrary to or refrain from acting in accordance with the directions made by the IESO in respect of operation of UCTI's Transmission System and/or the terms of IESO-UCTI Operating Agreement; and

1.17 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.

1.18 This Agreement may be executed in any number of 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. Counterparts may be executed either in original, pdf format or faxed form and the Parties shall adopt any signatures received by a receiving facsimile machine or by electronic mail 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 or sent by electronic mail.

Article II: **DEFINITIONS**

2.1 **Defined Terms**

The following terms, wherever used in this Agreement, shall have the meanings defined in this section:

"**Act**" means the *Ontario Energy Board Act, 1998, S.O.1998, c.15, Schedule "B"*, as amended from time to time and includes all regulations made thereunder;

“Agent” means a Qualified person duly authorized by a Party to perform specific activities or actions on its behalf;

“Agreement” means this Connection Facilities Agreement, the Schedules and all amendments made hereto by written agreement between the Parties in accordance with the terms of this Agreement;

“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 government department, commission board, court authority or agency;

“Applicant” means the person who applies for a *Work Permit* or for a *Supporting Guarantee*. The Applicant provides the *Controlling/Issuing Authority* with the information needed to establish the boundary of the isolation for the safe work area;

“Bus” means a common current carrying element which allows the connection of other elements to that common element;

“Business Day” means any day that is not a Saturday, a Sunday or a legal holiday in the Province of Ontario;

“Circuit Breaker” means a system element that interrupts the flow of electricity upon receiving a trip signal and includes, where applicable, any associated current transformer and the bus section between the breaker bushing and its current transformer;

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

“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 is confidential, proprietary or commercially sensitive; and
- (b) information derived from the information referred to in (a), but excludes information described in Section 12.1 of this Agreement

“Connection” means the physical link between Hydro One Networks’ Transmission Facilities and UCTI’s Transmission Facilities;

“Connection Facilities” means Line Connection Facilities and Transformation Connection Facilities that connect a transmitter’s Transmission system with the Facilities of another person, and includes an Enabler Facility;

“Connection Point” means a point (or points as the case may be) of connection between Hydro One Networks’

Connection Facilities and UCTI’s Connection Facilities which is as depicted in Schedule “A” attached hereto;

“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;

“De-energize” or **“De-energized”** means a state at which the stored potential energy of an isolated piece of equipment has been discharged. Electrical equipment is considered de-energized when its electrical energy has been discharged through connection to an effective ground potential;

“Delivery Point” has the same meaning as “Connection Point”;

“Double Contingency” means a single event, usually involving the loss of two or more Elements, that affects a Transmission System at least momentarily;

“Electricity Act” means the *Electricity Act*, 1998 (being Schedule “A” of the *Energy Competition Act*, S.O.1998, c.15), as amended from time to time and includes all regulations made thereunder;

“Element” means any electrical device that has at least one terminal that is operated at greater than 50kV and that may be connected to other electrical devices, and is usually associated with a generator, transformer, transmission circuit, circuit breaker, HVDC pole, series or shunt compensating device or bus section;

“Emergency” means any abnormal condition that requires automatic or immediate manual action to prevent or limit loss of a licensed transmitter’s transmission facilities or loss of the supply of electricity or energy that could adversely affect: (a) the reliability of the licensed transmitter’s transmission system, (b) the integrity of customer facilities or of the licensed transmitter’s transmission facilities, or (c) public safety, property or the environment. For the purpose of this Agreement, the Parties as transmission asset owners, have control over items (b) and (c) of this definition and the IESO has control over item (a);

“Enabler Facility” has the meaning ascribed to that term in the Code;

“Equipment” has the same definition as Facilities;

“Facilities” means transmission facilities and includes any structures, lines, transformers, breakers, disconnect switches, buses, voltage/current transformers, protection systems, telecommunications systems, cables and any other auxiliary equipment used for the purpose of conveying electricity;

"Fault" means an event arising from natural causes or the failure of Facilities, resulting in a short circuit, an open circuit, or an intermittent connection;

"Force Majeure Event" means, in relation to a person, any event or circumstance, or combination of events or circumstances,

- (i) that is beyond the reasonable control of the person;
- (ii) that adversely affects the performance by the person of its obligations under this Agreement; and
- (iii) the adverse effects of which could not have been foreseen or prevented, overcome, remedied or mitigated in whole or in part by the person through the exercise of diligence and reasonable care; provided however, that the lack, insufficiency or non-availability of funds shall not constitute a Force Majeure Event;

"Forced Outage" means the automatic or manual limitation of service owing to de-rating or limitation of Facilities, or the unavailability of Facilities as a result of actual or potential failure of those Facilities or of any other Facilities related to them;

"Generation Rejection" means the deliberate and automatic tripping of pre-selected generating units by Bulk Electricity System ("BES") transmission protections or configuration logic, in order to instantaneously reduce the electrical input to the transmission system below stability or thermal loading limits in the post-contingency state;

"Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry in North America during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good utility practice is not intended to be limited to optimum practices, methods or acts to the exclusion of all others, but rather to include all practices, methods or acts generally accepted in North America;

"Hold-Off" means a guarantee to limit operation of apparatus to facilitate Work or reduce Work hazards;

"Harmonic" means a sinusoidal component of a periodic wave or quantity having a frequency that is an integral multiple of the fundamental frequency (for example, a component whose frequency is twice the fundamental frequency is called a second harmonic);

"IESO" means the Independent Electricity System Operator continued under the *Electricity Act*;

"IESO-UCTI Operating Agreement" means the Operating Agreement made between UCTI and the IESO in accordance with the *Electricity Act, 1998*, as amended, the Market Rules and its Licence;

"IESO-Hydro One Operating Agreement" means the Operating Agreement made between Hydro One Networks and the IESO in accordance with the *Electricity Act, 1998*, the Market Rules and its Licence;

"Isolate" means to separate Facilities from any source of dynamic energy;

"Isolating device" means a device used to separate Facilities from any source of dynamic energy;

"Issuing Authority" means an authority that co-ordinates the actions of the people who prepare, check, apply, and verify a Work Protection. The Issuing Authority ensures the condition requested by the Applicant has been established. The Issuing Authority is responsible for making effective and terminating the PC2 Work Permit or Supporting Guarantee;

"Intelligent Electronic Device" means a single or multifunctional computer-based device, for example protective relays, meters, breaker control modules, etc. with communication capabilities to allow data sharing.

"Licence" means a licence issued under Part V of the Act to own or operate a Transmission System;

"Line End Open" is a protective system which will trigger tripping of the remote line terminal, or initiate other power system elements, when the local terminal is opened manually or inadvertently, in order to prevent any sustained overvoltage conditions;

"Load Rejection" means the automatic interruption of selected customers without warning in order to prevent major system emergencies from causing widespread loss of power supply to all customers;

"Load Shedding" means the deliberate disconnection of the load of a customer from a transmission system or a distribution system (either manually or automatically) in response to an emergency in order to maintain the integrity of the transmission system or distribution system and to minimize overall outages to customer Facilities;

"Maintenance" includes such routine maintenance, troubleshooting, repairs, changes, modifications and other activities as may be required for the safe and efficient operation of Facilities;

"Market Rules" means the rules made under Section 32 of the *Electricity Act, 1998* (Ontario), together with all

market manuals, policies, and guidelines established and issued by the IESO, as may be amended from time to time;

"**NERC**" means the North American Electric Reliability Corporation;

"**Network Facilities**" means those Facilities, other than Connection Facilities, that form part of a Transmission System that are shared by all users, comprised of network stations and the transmission lines connecting them;

"**OEB**" means the Ontario Energy Board established pursuant to the Ontario Energy Board Act, 1998 (being Schedule "B" of the Energy Competition Act, S.O. 1998, c. 15), as may be amended from time to time;

"**Operating Orders**" are orders issued by a Controlling Authority, for example, to facilitate the removal or restoration of Facilities, to establish the necessary conditions for Work Protection, or to comply with directives issued by the IESO;

"**Outage**" means the removal of Facilities from service, unavailability for connection of Facilities, temporary Derating, restriction of use or reduction in the performance of Facilities for any reason, including to permit the inspection, testing, maintenance or repair of Facilities;

"**Party**" means either Hydro One Networks or UCTI and "**Parties**" means both of them;

"**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;

"**Planned Outage**" means an outage that is planned or intentional and that is scheduled to occur at a pre-selected time, usually for the purpose of permitting construction, Maintenance or repair;

"**Promptly**" means performed in an expeditious manner and without undue delay, using due diligence, and with the intent of completing a required act or task as quickly as practicable;

"**Protection System**" means equipment that detects faults or abnormal conditions and takes appropriate corrective action to isolate the faulted Element; "**Protective Relay**" means an electrical device that detects a fault or abnormal condition on a transmission system or a distribution system and that is designed to respond to abnormal variations in input conditions and to cause prescribed contact operation or similar abrupt changes in associated electric control circuits which, in turn, if prescribed parameters are met, initiate the operation of a system Element (such as a circuit breaker) to disconnect a faulty Element (such as a transformer);

"**Qualified**" means assessed by a party in personal competency, familiarity with and knowledge of all applicable rules, regulations, guidelines, policies, codes, procedures, apparatus and Facilities, and dangers with respect to Work and operation;

"**Reliability**", in relation to electricity service, means the ability to deliver electricity in accordance with all applicable Reliability Standards and in the amount desired;

"**Reliability Organization**" means NERC, the Northeast Power Coordinating Council, and the IESO;

"**Reliability Standards**" means the criteria, standards and requirements relating to reliability set forth in the Code and, where relevant, as established by applicable Reliability Organizations;

"**Single Contingency**" means a single event, usually involving the loss of one or more Elements, that affects a Transmission System at least momentarily;

"**Site**" means the land, buildings and other structures on, in or around which Facilities are located;

"**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 Infrastructure Health and Safety Association) and revised January, 2019, as may be amended from time to time;

"**Transmission Facilities**" means any and all Facilities of any kind whatsoever owned by either Party including, but not limited to, the Connection Facilities;

"**Transmission System**" means a system for transmitting electricity and includes any structures, equipment or other things used for that purpose;

"**Work**" means the planning, design, installation, construction, commissioning, removal, inspection, testing, undertaking of repairs or undertaking of maintenance;

"**Work Authority**" means the person responsible and in charge of specific Work;

"**Work Permit**" is a written guarantee that an Isolated, or Isolated and De-energized condition has been established for Work, and will continue to exist, except for authorized tests, until the Work Permit is surrendered; and

"**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.

Article III: **SCOPE OF AGREEMENT**

3.1 **Scope**

3.1.1 This Agreement provides the basis for operating and maintaining the Connection Facilities. Specifically, it describes:

- (a) the requirements for the safe operation, switching, notification, response to emergencies, and Isolation of the Connection Facilities;
- (b) the circumstances under which the Connection Facilities, in whole or in part, can be disconnected and the remedial actions required in order to permit the restoration of the operation of the Connection Facilities so disconnected; and
- (c) the Facilities comprising the Connection Facilities and how it shall be operated for the mutual advantage and benefit of both parties.

A detailed description of the existing and planned Connection Facilities appears in Schedule "A".

3.2 **Effective Date**

This Agreement shall take effect as of the date first above written and shall continue in full force and effect until terminated.

3.3 **Termination**

3.3.1 This Agreement may be terminated:

- (a) at any time by mutual agreement; or
- (b) upon at least one (1) years prior notice in writing given by either Party to the other.

3.3.2 Neither Party may terminate this Agreement other than in accordance with the provisions providing for such termination set out in this Agreement.

3.4 **Representations and Warranties**

3.4.1 Each Party represents and warrants to the other and acknowledges and confirms to the other Party that other Party 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, a amendment or cancellation or the acceleration of any obligation under (i) any of its charter or by-law instruments of it; (ii) any 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 behalf of it has been duly authorized to execute this Agreement and has the full power and authority to bind it;
- (e) this Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with its terms; and
- (f) it holds all permits, licenses and other authorizations that may be necessary to enable it to carry on its business as a Transmitter.

3.4.2 Each Party shall promptly notify the other Party of any circumstance that does or may result in any of the representations and warranties set forth in Section 3.4.1 becoming untrue or inaccurate during the term of this Agreement.

Article IV: **ASSET OWNERS' COMMITTEE**

4.1 Each Party shall assign a member within twenty (20) Business Days of this Agreement becoming effective, to an Asset Owners' Committee that will meet from time to time but at least once per year, unless delayed by mutual agreement, to review issues of interest to the Parties in relation to the Connection Facilities. The Asset Owners' committee shall review and address:

- (a) Deficiencies identified in the operation of the Connection Facilities;
- (b) Opportunities to improve the operation of the Connection Facilities within the responsibilities of the Parties under this Agreement;
- (c) Facilities ratings;
- (d) the Outage planning process used by the Parties and Planned Outages;
- (e) plans for changes on Hydro One Networks' Transmission System or UCTI's Transmission System that may affect the operation of the Connection Facilities;
- (f) proposed upgrades or modifications to the Protections, control or communications facilities for the Connection Facilities;
- (g) the impact of revised policies, standards, and requirements including but not limited to NERC, Northeast Power Coordinating Council (NPCC), on the Connection Facilities;
- (h) incidents affecting the operation or performance of the Connection Facilities; and
- (i) proposed revisions to this Agreement.

4.2 Subject to Section 1.15, the Assets Owners' Committee shall:

- (a) approve and release changes to any or all of the schedules in this Agreement as required from time to time to reflect changes in the operation of the Connection;
- (b) write, approve and release new schedules to be part of this Agreement as required from time to time;
- (c) determine and revise acceptable remedial actions required to ensure the acceptable operation and performance of the Connection Facilities;
- (d) address issues including, but not limited to deficiencies associated with the Protection, Isolation, or control Facilities for the Connection Facilities that impacts the operation of the Transmission Systems of either Hydro One Networks or UCTI;
- (e) resolve disputed matters submitted to the committee as part of the dispute resolution process under Article XIII herein;
- (f) establish such other committees, subcommittees, task forces, working groups or other bodies, as it deems appropriate for purposes of administering this Agreement;

Article V: **OBLIGATIONS**

5.1 **General**

5.1.1 Except as specifically provided herein, each Party shall bear their own costs of compliance to this Agreement. These include, but are not limited to, costs associated with the operation, inspection and Maintenance of their respective assets comprising the Connection Facilities including associated Protection control and communication Facilities, in the manner described in this Agreement.

5.1.2 The cost of changes to the Connection Facilities requested by one Party and benefiting only one Party, shall be borne by the requesting Party.

5.1.3 Each Party shall follow Good Utility Practice in (a) the selection of, inspection and Maintenance of Facilities comprising the Connection Facilities; (b) undertaking repairs required to correct any deficiencies; and (c) performing its obligations under this Agreement.

5.1.4 Each Party shall make reasonable attempt to accommodate the other Party's interests when planning changes to the Connection Facilities.

5.1.5 Each Party shall ensure that their respective staff, including operations, Maintenance and protection and control personnel, etc., have sufficient knowledge of the Facilities, policies and procedures described in this Agreement and that this knowledge will be monitored and applied.

5.1.6 In order to ensure the safe, efficient and effective operation of the UCTI's Connection Facilities and Hydro One Networks' Connection Facilities, UCTI and Hydro

One Networks hereby agree to disclose operating data and other information that may affect the operations of their respective Connection Facilities.

5.2 **Normal Operations**

5.2.1 Each Party shall remove Facilities or Connection Facilities from service in accordance with their reporting and scheduling obligations described in this Agreement unless such removal from service is necessary to prevent damage to either Parties' Facilities or Connection Facilities or to protect the safety of employees, the public or the environment. If any Facilities or Connection Facilities are removed for these reasons, the removing Party shall promptly notify the other Party's Controlling Authority. The Parties shall cooperate to establish Facilities ratings and monitor power flows for their respective Connection Facilities.

5.2.2 The Parties agree that Facilities in the Connection Facilities shall be operated within continuous ratings for normal conditions and within post contingency ratings for a prescribed period of time immediately after the occurrence of a contingency event affecting the Connection Facilities.

5.2.3 The operating modes of the Connection Facilities during normal conditions are detailed in Schedule "C" of this Agreement.

5.2.4 Changes to the operating modes of the Connection, as required from time to time, shall be made at the IESO's request. When potential is being applied to Facilities which extends into the other Party's Transmission System, the Party directing the operation shall obtain approval from his/her counterpart.

5.3 **Protections**

5.3.1 Each Party shall cooperate in determining and establishing Protection settings to preserve the integrity of its assets comprising the Facilities and security of its Transmission System as applicable.

5.3.2 Each Party shall submit to the other, electrical drawings and proposed settings of the Protections associated with the Connection Facilities, for their review and approval prior to their implementation as applicable.

5.4 **Emergency Preparedness**

5.4.1 Each Party shall develop and provide Emergency response procedures, including reporting instructions and Emergency contacts to the IESO. Each Party shall share their Emergency contacts with the other Party.

Article VI: **PLANNING FOR NEW OR MODIFIED CONNECTION FACILITIES**

6.1 Each Party shall provide written notice to the other Party's Asset Owners' Committee member of proposed

new or modified Connection Facilities (generation, load and/or transmission) that may affect the other Party's Transmission System. Notice shall be given as soon as a formal application by a third party has been submitted to the IESO or as soon as the Party is aware of such formal application. In providing such notice to the other Party, the Parties shall obtain any required authorization to disclose information that might be deemed confidential or proprietary.

6.2 The Parties agree to cooperate in the undertaking of studies to assess the impact that proposed new or modified facilities might have in the other Party's Transmission System.

6.3 Each Party shall provide written notice to the other Party's Asset Owners' Committee member when a connection/construction agreement has been signed and/or regulatory approval has been granted for the proposed new or modified connection facilities.

6.4 The cost of modifications, enhancements and reinforcements on one Party's Transmission Facilities required to accommodate new or modified Connection Facilities in the other Party's Transmission System, shall be borne by the Party where the new or modified Connection Facilities triggering the need for changes are being installed. Such modifications, enhancements and reinforcements include, but are not limited to, the following:

- (a) Protective Relay and control facilities, and associated telecommunications;
- (b) modification of existing connection lines;
- (c) breakers;
- (d) disconnect switches; and
- (e) bus sections at the terminal stations in the network pool.

6.5 The following factors shall be considered in calculating the costs applicable to Section 6.4:

- (a) advancement costs of replacing existing Facilities before the end of their useful life; and
- (b) the cost of upgrading the Facilities to the next practical rating, including, but not limited to, removal and decommissioning cost less any salvage value of the removed Facilities.

Article VII: **OPERATIONAL REQUIREMENTS OF THE CONNECTION FACILITIES**

7.1 Controlling Authority and Transmission Authority

7.1.1 Each Party shall identify to the other Party their respective Controlling Authority for their Connection Facilities.

7.1.2 The Parties shall comply with all switching instructions and Operating Orders issued by the Controlling Authority.

7.1.3 Operating Orders shall only be accepted as valid when each Party has made its identity (first and last name) known to the other.

7.1.4 No Controlling Authority shall undertake any switching operations without the consent of the other Party's Controlling Authority.

7.1.5 Upon the request of a Party's Controlling Authority, the other Party's Controlling Authority, or its Agent shall provide the required timely Isolation of Facilities.

7.1.6 The Party's respective Controlling Authorities shall maintain an ongoing interchange of information about operation (including planned and Forced Outages, system tests, etc.) which could reflect into, or be of significance to, either Transmission System prior to the actual operation when appropriate.

7.1.7 The operating organizations, the Controlling Authority involved in the operation of the Connection Facilities for each Party are described in Schedule "B".

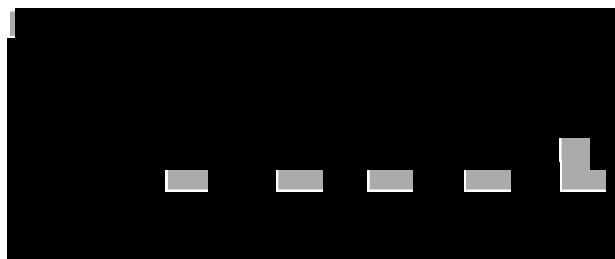
7.2 Reporting Standards

7.2.1 Each Party shall Promptly report to the other Party any changes in its Facilities that materially affect the Connection Facilities.

7.2.2 Upon becoming aware of any changes that affect the Facilities reliability of the Connection Facilities, each Party shall Promptly submit a written report to the other Party describing any and all changes, including, without limitation, changes to the Connection Facilities, Facilities, and associated protective relaying or protective relaying settings.

7.2.3 Neither Party shall make changes that would reasonably be expected to affect the Connection Facilities, without advising the other Party's Asset Owners' Committee member in writing.

7.2.4 (a) Each Party is obligated to ensure that their respective real time data is available to the other Party at all times.



7.2.5 Any and all NERC and other Regulatory Authority compliance requirements with respect to UCTI's W35M, W36M, M37L and M38L to be fulfilled solely by UCTI.

7.3 Communications Protocol

7.3.1 Operating Orders, decisions on operating modes, changes in delivery values and matters pertaining to Work Protection, Hold-Offs and Supporting Guarantees shall be repeated by the receiver to ensure confirmation of intent.

7.3.2 All communications regarding operating matters will be conducted in the English language.

7.3.3 When the terms "on potential" and "off potential" are used, the reference is to the condition of voltage either applied or removed on a piece of Facilities.

7.3.4 References to devices and procedures for connecting Facilities to ground potential shall be in terms of "ground", "grounds", "grounding" etc.

7.3.5 A list of important business telephone numbers pertinent to this Agreement is attached as Schedule "D".

7.3.6 The Communication path for the operation of the Connection Facilities under Normal and Emergency conditions is attached as Schedule "F".

Article VIII: OUTAGE COORDINATION

8.1 Outage Coordination Obligations

8.1.1 UCTI and Hydro One Networks shall use reasonable efforts to coordinate any required Planned Outages to maximize the availability of the Connection Facilities. Typically, this will include all Connection Facilities and any Facilities within each system, which has a direct impact on the transmission capability of the Connection.

8.1.2 UCTI and Hydro One Networks shall establish an Outage planning process to comply with the reporting and scheduling obligations set out in this Connection Agreement. Please see Schedule "H" for details of the Outage planning process.

Article IX: PROTECTION FOR WORK

9.1 The execution of all Work, whether planned or Emergency, shall be performed under safe working conditions on Connections or Facilities connected to them.

9.2 Hydro One Networks shall provide the necessary protection for Work in accordance with the Work Protection Code used by Hydro One Networks.

9.3 Each Party shall carry out work on its equipment in accordance with their safety and Work Protection practices as described in Schedule "E".

Article X: LIABILITY AND FORCE MAJEURE

10.1 Except as otherwise expressly provided in this Agreement, Hydro One Networks shall not be liable for any Party Losses of UCTI whatsoever arising out of any act or omission of Hydro One Networks under this Agreement unless such Party Losses result from the wilful misconduct or negligence of Hydro One Networks.

10.2 Except as otherwise expressly provided in this Agreement, UCTI shall not be liable for any Party Losses of Hydro One Networks whatsoever arising out of any act or omission of UCTI under this Agreement unless such Party Losses result from the wilful misconduct or negligence of UCTI.

10.3 Despite Sections 10.1 and 10.2, 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.

10.4 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 10.4 shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

10.5 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.

10.6 Subject to Sub-sections 10.6.1 to 10.6.3, 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.

10.6.1 The Party invoking a Force Majeure Event shall only be excused from performance under Section 10.6:

- (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.

10.6.2 Nothing in Sub-sections 10.6 or 10.6.1 shall excuse a Party from performing any of its Emergency-related obligations in the event of an Emergency.

10.6.3 A Party may not invoke a Force Majeure Event unless it has given notice in accordance with Section 10.7 below.

10.7 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;
- (c) the effect on the operation and condition, if known, of the other Party's Facilities; and
- (d) 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.

10.8 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 Agreement shall require the mitigating Party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

10.9 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.

Article XI: **DEFAULT**

11.1 If either Party fails to or neglects at any time to fully perform, observe and comply with all the terms, conditions and covenants herein, then the non-defaulting Party shall as soon as practicable, notify the defaulting Party in writing of such default and the defaulting Party shall correct such default to the satisfaction of the non-defaulting Party within thirty (30) days of the issuance of such notice or sooner in the case of an Emergency, as may be determined by the non-defaulting Party or within a longer time period if agreeable to the other Party, failing which the non-defaulting Party may forthwith terminate

this Agreement and the rights and privileges herein granted.

11.2 Either Party shall be entitled, at its option, to terminate this Agreement immediately upon written notice to the other Party upon the other Party becoming bankrupt or insolvent or upon the other Party ceasing to carry on business.

11.3 When a non-defaulting Party has terminated the Agreement under Sections 3.3.1, 11.1 or 11.2, either Party may disconnect the Connection Point and shall be entitled to de-commission and remove its Equipment associated with the Connection Facilities and the Connection Point.

11.4 If this Agreement is terminated under Sections 3.3.1, 11.1 or 11.2, then upon termination the Agreement will, subject to Section 11.5, be of no further force and effect.

11.5 The termination of this Agreement shall not affect any rights or obligations of either Party that may have accrued before termination, which will continue in full force and effect until such rights and obligations are completely executed.

11.6 The rights and remedies of the Parties 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 the Parties at law or in equity. Either Party may exercise one or more of its rights and remedies from time to time, independently or in combination, without prejudice to any other right or remedy that either Party may have exercised. This subsection shall not operate to void the application of Article XIII of this Agreement, to any dispute arising between the Parties.

11.7 If any of the remedies provided for and chosen by a non-defaulting Party are found to be unenforceable, the non-defaulting Party may exercise any other right or remedy available to it at law or in equity.

Article XII: **EXCHANGE AND CONFIDENTIALITY OF INFORMATION**

12.1 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.

12.2 Subject to Section 12.3, 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.

12.3 Nothing in this Article XII 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 UCTI or Hydro One Networks to fulfill its obligations to any Reliability Organization; or
- (f) as may be required during an Emergency or to prevent or minimize the effects of an Emergency.

12.4 Notwithstanding any provision of Article X, a Party that breaches Section 12.2 shall be liable to the other Party for any and all Party Losses of that other Party arising out of such breach.

12.5 The Parties acknowledge and agree that the exchange of information, including Confidential Information, under this agreement is necessary for maintaining the reliable operation of Parties respective Transmission Systems. 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.

12.6 Each Party shall comply with its information exchange obligations as set out in this Agreement. 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.

12.7 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 provide updated or corrected information as required to ensure that information provided to the other Party is up to date and correct.

Article XIII: **DISPUTE RESOLUTION**

13.1 All disputes shall first be submitted for resolution to the Asset Owners' Committee. Any dispute submitted for resolution to the Asset Owners' Committee which is not resolved by the Asset Owners' Committee within five Business Days following submission of the dispute to the Asset Owners' Committee, shall be submitted to the designated corporate officer(s) of each Party for resolution by good faith negotiations.

13.2 **Arbitration Notice**

Failing resolution of the dispute by the corporate officers pursuant to Section 13.1 within thirty Business Days following the first notice of submission of the dispute to them, then either Party may by written notice ("**Arbitration Notice**") delivered to the other Party, submit the dispute to final and binding arbitration to be conducted in Toronto in accordance with the terms of this Agreement and the Arbitration Act (Ontario), as follows:

13.2.1 The Parties shall meet within ten Business Days of the delivery of the Arbitration Notice, or, if both Parties deliver a written notice, within ten Business Days of the date of delivery of the first notice to be delivered, to attempt to agree on an arbitrator Qualified by experience, education and training to arbitrate the dispute. If the Parties fail to meet, or otherwise are unable to agree on the selection of a single arbitrator within those ten Business Days, each Party will select one arbitrator. The two arbitrators so selected shall, within ten Business Days following their selection, jointly appoint a third arbitrator to be the sole arbitrator, after which appointment the role of the first two arbitrators shall end. If the two arbitrators selected by the Parties are unable to agree on the selection of the third arbitrator within ten Business Days following their selection, those two arbitrators may apply to a court of competent jurisdiction to appoint the sole arbitrator within ten Business Days following the request. Each arbitrator must be Qualified by education, training and experience to pass upon the particular matter to be decided and shall have no relationship, direct or indirect, with either of the Parties.

13.2.2 The arbitrator(s) will be instructed that time is of the essence in the arbitration proceeding. The arbitrator shall proceed as soon as is practicable to hear and determine the dispute, and shall be directed by the Parties

to provide a written decision resolving the dispute within 60 days following his or her appointment or such other date as may be agreed in writing by the Parties. The Parties shall provide such assistance and information as may be reasonably necessary to enable the arbitrator to determine the dispute. Any decision of the arbitrator will be in writing and will be final and binding upon the Parties, with no right of appeal from it and subject to Section 13.4 below, shall deal with the question of costs of arbitration and all related matters;

13.2.3 Judgement upon any award of the arbitrator as the case may be, may be entered in any Court having jurisdiction or an application may be made to the applicable Court for a judicial recognition of the award or an order of enforcement, as the case may be.

13.3 **Performance During Dispute Resolution**

While any dispute (other than a dispute that a Party has reasonable grounds for alleging is a fundamental breach of this Agreement) is being resolved, the Parties shall continue to perform all obligations under this Agreement with due diligence and continue to comply with all terms of this Agreement.

13.4 **Legal Costs of Dispute**

Each Party shall be liable for all legal, expert and other costs incurred by it in resolving any dispute under this Article XIII and the decision of the arbitrator relating to costs shall deal only with the fees and expenses of the arbitrator.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by the signatures of their proper officers duly authorized in that behalf.

UPPER CANADA TRANSMISSION INC.

Name: Jennifer Tidmarsh
Title: President
I have the authority to bind the Corporation.

HYDRO ONE NETWORKS INC.

Name: Martin Huang
Title: Vice President, System Operations
I have the authority to bind the Corporation.



SCHEDULE "A" TECHNICAL CHARACTERISTICS OF THE CONNECTION FACILITIES

A1.0 General

A1.1 The connection facilities are comprised of four express 230kV circuits W35M, W36M, M37L and M38L between UCTI and Hydro One Networks with the associated line terminal equipment.

A1.2 Circuits W35M and W36M are approximately 210.4 km of ACSR on double-circuited towers between Wawa TS and Marathon TS. Circuits M37L and M38L are approximately 235.5 km of ACSR on double-circuited towers between Marathon TS and Lakehead TS.

A1.3 UCTI owns W35M, W36M, M37L and M38L and the associated skywire, structures and hardware up to and including the provided loops and skywire vang at the first structure of each circuit just outside of Wawa TS, Marathon TS, and Lakehead TS.

A1.4 Hydro One Networks owns the conductor and skywire sections of W35M, W36M, M37L and M38L out of each TS up to but not including the associated loop and the first pole vang respectively on the station side of the first structures out of each TS.

Hydro One Networks owns Wawa TS, Marathon TS and Lakehead TS including all sub-station facilities, protection devices and systems, teleprotections, Remedial Action Schemes, and Equipment associated with the interconnection of the W35M, W36M, M37L, and M38L transmission lines with Hydro One Networks' transmission system.

A1.5 Normal operations of the 230kV circuits and connections will be as synchronous ties between UCTI and Hydro One Networks.

A2.0 Connection Points and Facilities

The Connection Points shall be where the demarcation occurs between UCTI and Hydro One Networks ownership.

A2.1 Demarcation of W35M & W36M

Wawa TS Demarcation: The point of demarcation of the ownership of the W35M and W36M circuits at Wawa TS is at structure #F235 and structure #F233 respectively. UCTI owns the structures, all insulators, and the conductor on the line side of the structures up to, and including, the loops 14W35M-LC1 and 14W36M-LC1 to the respective station side line clamp. Hydro One Networks owns the conductor from, but not including, the loop on the Wawa TS side of the structures to the station.

UCTI owns the skywire up to and including the vang on the first structures outside the station and Hydro One Networks owns the sky wire up to and including the bolt to the vang on the first structures outside the station.

UCTI owns the dead end insulator on the line side and the stand off insulator at the first structures outside the station and Hydro One Networks owns the first dead end insulators outside of the station. The station side clamp of the loop is the demarcation point and the loop is suitable for Work Protection.

Marathon TS Demarcation: The point of demarcation of the ownership of the W35M and W36M circuits at Marathon TS is at structure #D001. UCTI owns the structures, all insulators, and the conductor on the line side of the structures up to, and including, the loops 15W35M-LC2 and 15W36M-LC2 to the respective station side line clamp. Hydro One Networks owns the conductor from, but not including, the loop on the Marathon TS side of the structures to the station.

UCTI owns the skywire up to and including the vang on the first structures outside the station and Hydro One Networks owns the skywire up to and including the bolt to the vang on the first structures outside the station.

UCTI owns the dead end insulator on the line side and the stand off insulator at the first structures outside the station and Hydro One Networks owns the first dead end insulators outside of the station. The station side clamp of the loop is the demarcation point and the loop is suitable for Work Protection.



A2.2 Demarcation of M37L & M38L

Marathon TS Demarcation: The point of demarcation of the ownership of the M37L and M38L circuits at Marathon TS is at structure #C279. UCTI owns the structures, all insulators, and the conductor on the line side of the structures up to, and including, the loops 15M37L-LC1 and 15M38L-LC1 to the respective station side line clamp. Hydro One Networks owns the conductor from, but not including, the loop on the Marathon TS side of the structures to the station.

UCTI owns the skywire up to and including the vang on the first structures outside the station and Hydro One Networks owns the skywire up to and including the bolt to the vang on the first structures outside the station.

UCTI owns the dead end insulator on the line side and the stand off insulator at the first structures outside the station and Hydro One Networks owns the first dead end insulators outside of the station. The station side clamp of the loop is the demarcation point and the loop is suitable for Work Protection.

Lakehead TS Demarcation: The point of demarcation of the ownership of the M37L and M38L circuits at Lakehead TS is at structure #A001. UCTI owns the structures, all insulators, and the conductor on the line side of the structures up to, and including, the loops 12M37L-LC2 and 12M38L-LC2 to the respective station side line clamp. Hydro One Networks owns the conductor from, but not including, the loop on the Lakehead TS side of the structures to the station.

UCTI owns the skywire up to and including the vang on the first structures outside the station and Hydro One Networks owns the skywire up to and including the bolt to the vang on the first structures outside the station.

UCTI owns the dead end insulator on the line side and the stand off insulator at the first structures outside the station and Hydro One Networks owns the first dead end insulators outside of the station. The station side clamp of the loop is the demarcation point and the loop is suitable for Work Protection.



A3.0 Protection System

The 230kV W35M, W36M, M37L, and M38L circuit protections are provided in accordance with Hydro One Networks Protection Standards. These include both line and breaker protections.

The protection scheme provides full duplicate 'A' and 'B' protections in compliance with the Ontario Energy Board Transmission System Code and reflects the current Northeastern Power Coordinating Council ("NPCC")

reliability standard requirements as of the original in-service date of the equipment.

Measures of the protection scheme include:

- (1) Direct high speed tripping for internal faults,
- (2) Timed backup tripping at 0.4 seconds (distance operation),
- (3) Line test / stub bus capability,
- (4) Direct transfer tripping via digital fiber optic communication system and Power Line Carrier (PLC)
- (5) High resistance open phase protection (HIROP).

A3.1 W35M Protections

The 230kV W35M line protection has 'A' and 'B' duplicate protection groups that consist of Direct Under Reaching (DUR) and Permissive Overreaching Transfer Trip (POTT) scheme configuration.



A3.1.1 W35M Protection Logic

Direct Over-Reaching (DOR) with transfer trip protection schemes are implemented on both 'A' and 'B' protection groups.

Zone instantaneous trip results in: Local breakers trips, Transfer Trip (TT) send, initiate Breaker Fail, and initiate reclose. This includes zone 2 fault detection and permissive receive signal.

Zone timed trip results in local tripping and initiate Breaker Fail.

HIROP is provided in the internal relay logic, as the "Open Phase" 97N is provided with the HIROP inverse time overcurrent element to respond to high resistance ground faults. The HIROP signal is sealed-in for 35 seconds in order to block reclose.

The line test, or stub bus, protection is sealed in for greater than 30 seconds to explicitly cancel reclose in all tripped breakers via long time cancel feature of breaker reclosure protection.

TT transmit (send) and TT receive are interlocked with the line disconnect switch at each of the respective stations.

A3.1.2 W35M Teleprotections



[REDACTED]

Reaching (DUR) and Permissive Overreach Transfer Trip (POTT) scheme configuration.

[REDACTED]

A3.2 W36M Protections

The 230kV W36M line protection has 'A' and 'B' duplicate protection groups that consist of Direct Under Reaching (DUR) and Permissive Overreach Transfer Trip (POTT) scheme configuration.

[REDACTED]

A3.3.1 M37L Protection Logic

Direct Over-Reaching (DOR) with transfer trip protection schemes are implemented on both 'A' and 'B' protection groups.

Zone instantaneous trip results in: Local breakers trips, Transfer Trip (TT) send, initiate Breaker Fail, and initiate reclose. This includes zone 2 fault detection and permissive receive signal.

A3.2.1 W36M Protection Logic

Direct Over-Reaching (DOR) with transfer trip protection schemes are implemented on both 'A' and 'B' protection groups.

Zone timed trip results in local tripping and initiate Breaker Fail.

Zone instantaneous trip results in: Local breakers trips, Transfer Trip (TT) send, initiate Breaker Fail, and initiate reclose. This includes zone 2 fault detection and permissive receive signal.

HIROP is provided in the internal relay logic, as the "Open Phase" 97N is provided with the HIROP inverse time overcurrent element to respond to high resistance ground faults. The HIROP signal is sealed-in for 35 seconds in order to block reclose.

Zone timed trip results in local tripping and initiate Breaker Fail.

The line test, or stub bus, protection is sealed in for greater than 30 seconds to explicitly cancel reclose in all tripped breakers via long time cancel feature of breaker reclosure protection.

HIROP is provided in the internal relay logic, as the "Open Phase" 97N is provided with the HIROP inverse time overcurrent element to respond to high resistance ground faults. The HIROP signal is sealed-in for 35 seconds in order to block reclose.

TT transmit (send) and TT receive are interlocked with the line disconnect switch at each of the respective stations.

The line test, or stub bus, protection is sealed in for greater than 30 seconds to explicitly cancel reclose in all tripped breakers via long time cancel feature of breaker reclosure protection.

[REDACTED]

TT transmit (send) and TT receive are interlocked with the line disconnect switch at each of the respective stations.

[REDACTED]

A3.4 M38L Protections

The 230kV M38L line protection has 'A' and 'B' duplicate protection groups that consist of Direct Under Reaching (DUR) and Permissive Overreach Transfer Trip (POTT) scheme configuration.

[REDACTED]

A3.3 M37L Protections

The 230kV M37L line protection has 'A' and 'B' duplicate protection groups that consist of Direct Under

A3.4.1 M38L Protection Logic

[REDACTED]

Direct Over-Reaching (DOR) with transfer trip protection schemes are implemented on both 'A' and 'B' protection groups.

Zone instantaneous trip results in: Local breakers trips, Transfer Trip (TT) send, initiate Breaker Fail, and initiate reclose. This includes zone 2 fault detection and permissive receive signal.

Zone timed trip results in local tripping and initiate Breaker Fail.

HIROP is provided in the internal relay logic, as the "Open Phase" 97N is provided with the HIROP inverse time overcurrent element to respond to high resistance ground faults. The HIROP signal is sealed-in for 35 seconds in order to block reclose.

The line test, or stub bus, protection is sealed in for greater than 30 seconds to explicitly cancel reclose in all tripped breakers via long time cancel feature of breaker reclosure protection.

TT transmit (send) and TT receive are interlocked with the line disconnect switch at each of the respective stations.

standard high voltage breaker reclosing scheme is provided through the 'A' protection group only. Automatic reclosing is initiated by both the 'A' and 'B' protection groups.

For each line, the standard reclosure selections available are: long time, under voltage plus time, voltage presence plus time, synchro-check, and none.



A3.6 230kV Breaker Protections and Reclose

The 230kV terminal breakers for the W35M, W36M, M37L and M38L have duplicate breaker failure protections at the respective transformer stations. The

SCHEDULE "B" OPERATING ORGANIZATIONS AND EVACUATION

B1.0 Independent Electricity System Operator ("IESO")

The Hydro One Networks-UCTI Connection is part of the *IESO-Controlled Grid* in the province of Ontario. The IESO is responsible for directing the integrated operation of this grid. The objectives¹ of the IESO include:

- to enter into agreements with transmitters giving the IESO authority to direct the operations of their Transmission Systems; and
- to direct the operations and maintain the reliability of the *IESO-Controlled Grid*.

Hydro One Networks and UCTI each have Operating Agreements with the IESO which give the IESO authority to direct the operations of their respective Transmission Systems.

The Shift Superintendent at the IESO System Control Centre is responsible for directing the integrated operation of the *IESO-Controlled Grid* in Ontario, of which this Connection is a part.

B2.0 Integrated System Operating Centre

The Integrated System Operating Centre ("**ISOC**") is responsible for overseeing the operation and Maintenance of the *Transmission Facilities* of Hydro One Networks. The ISOC acts under the instructions of, and the directions provided by the IESO for the integrated operation of the *IESO-Controlled Grid* and for the reliable operation of Hydro One Networks' Transmission System with respect to resource adequacy and system security.

The Senior Manager, Transmission System Control at the ISOC may impose additional restrictions on the availability of Hydro One Networks' Facilities as part of their asset management accountabilities, and act independently without prior IESO direction and approval in cases where there is potential damage to Hydro One Networks' Facilities or harm to personnel, the public, or the environment.

The responsibilities of the ISOC Transmission System Operators, include monitoring Facilities, declaring availability of Facilities for service, operating control systems to perform physical operation of switchgear, directing field operators to perform switching operations, operating Facilities independently or as directed under normal and disturbance conditions, all aspects of Work Protection, unless assigned to a designated field issuing

authority agent, and the issuance of Work Permits, Supporting Guarantees, and Hold-Offs.

The ISOC acts as the *Issuing Authority*, being responsible for all aspects of *Work Protection*, unless the responsibility is assigned to a Hydro One Networks designated Transmission System Operator – Field (TSO-F) / *Agent*. The *Issuing Authority* issues and receives *Work Permits* and *Supporting Guarantees*.

The designated *Issuing Authority* will be communicated in advance of *Work Protection* execution by Hydro One Networks to UCTI following the submission of the *Work Protection* request.



B4.0 Lone Star Transmission Control Center

The Lone Star Transmission Control Center ("**LSTCC**") is responsible for monitoring the *Transmission Facilities* of UCTI.

The responsibilities of LSTCC Transmission System Operators, other than monitoring UCTI's Facilities, are to deploy resources should a problem arise.



¹ *Electricity Act, 1998* (Ontario) (being Schedule "A" of the *Energy Competition Act, S.O. 1998, part 2, section. 5*).

SCHEDULE "C" OPERATION MODES AND PROCEDURES

[REDACTED]

C2.0 Normal Operation

The normal operation of the 230kV connections between UCTI and Hydro One Networks between Wawa TS, Marathon TS, and Lakehead TS are as a synchronous tie of double circuit lines operating in parallel with Hydro One Networks 230kV circuits W21M, W22M, M23L, and M24L. Changes to the operating modes of the *Connection*, as required from time to time, shall be made at the IESO's request.

C3.0 Temporary Configuration

There are no temporary configurations available at this time.

C4.0 Emergency Mode

There are no emergency configurations available at this time.

[REDACTED]

C6.0 Grant of Easement (at Wawa TS)

See the GRANT OF EASEMENT Agreement made between Hydro One Networks and NextBridge Infrastructure LP by its General Partner UPPER CANADA TRANSMISSION INC for non-exclusive right, access to the UCTI transmission line entrance between structures known as F232 and F233 for approximately 9 metres along the Wawa TS fence line.

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SCHEDULE "E" PROTECTION FOR WORK

E1.0 General

E1.1 Each Party shall carry out work on its *Equipment* in accordance with their safety and *Work Protection* practices.

E1.2 Each Party shall have documented procedures to establish and maintain safety conditions until all working personnel have been reported clear of the *Equipment* and the *Work Protection* has been surrendered.

E1.3 The Controlling Authorities shall confer to discuss details of switching and Work Protection requirements well in advance of an Outage and reconfirm requirements once approval to proceed with the outage has been received.

E1.4 When UCTI requires Isolation from Hydro One Networks' sources or Isolation of a device under Hydro One Networks' control, the UCTI Controlling Authority shall request the Hydro One Networks to provide a *Supporting Guarantee*. This request shall be signed by both Parties and each Party shall have a copy for reference.

E1.5 In the event that Hydro One Networks requires Isolation from UCTI sources or Isolation of a device under UCTI control, the Hydro One Networks' *Controlling Authority* will request UCTI to provide a *Supporting Guarantee*. This request shall be signed by both Parties and each Party shall have a copy for reference.

E1.6 Official Applications for Supporting Guarantees will be submitted, as soon as practical by the Controlling Authorities, to each other. These applications must identify any testing that could compromise the integrity of the Isolation guaranteed under the *Supporting Guarantee*.

E1.7 Applications for Supporting Guarantees shall identify requirements for Isolation or Isolation and grounding of specific *Equipment*, (i.e., *Work Protection*) and are distinct requests and approvals for Equipment Outages.

E1.8 The issuer of a *Supporting Guarantee* must be the *Controlling Authority* of at least one device of the *Equipment* being guaranteed.

E1.9 Supporting Guarantees shall identify the nomenclature and the type of device(s) guaranteed by the *Supporting Guarantee*.

E1.10 Supporting Guarantees may be communicated orally or in writing and should include a document serial number for reference.

E1.11 All documentation of the *Work Protection* shall be provided to either Party by hardcopy (e.g. facsimile) if requested.

E1.12 Supporting Guarantees shall be logged or otherwise documented by the *Controlling Authority*, or *Issuing Authority* as applicable, issuing the *Supporting Guarantee* and by the *Controlling Authority* or *Issuing Authority* as applicable, that receives the *Supporting Guarantee*.

E1.13 To provide a guarantee of Isolation, appropriate *Equipment* shall be locked open, made mechanically and electrically inoperative, and have appropriate tags applied.

E1.14 Where the integrity of the Isolation guaranteed under the *Supporting Guarantee* can no longer be maintained, the issuing entity shall immediately notify the Party, which received the *Supporting Guarantee*.

E1.15 At all times before performing the operations described in this *Agreement* the necessary safety procedures relative to this type of *Equipment* shall be carried out by each Party.

E1.16 Hold-Off

E1.16.1 During the course of a Hold-Off each Party shall:

- (a) Identify (tag or symbol) the devices restricted under the *Hold-Off*, in accordance with a documented procedure, that all reclosing facilities under their control associated with the *Connection Facility* have been disabled and will remain disabled during the course of the *Hold-Off*.
- (b) Provide at the time of issuance the status of all relaying and the terminal *Equipment*, at the request of the Applicant,
- (c) Advise the holder of the *Hold-Off* of any change in status of the protective *Equipment* that may degrade the reliability of the *Hold-Off*.

Under no circumstances shall Hold-Off be used in place of *Work Protection*.

SCHEDULE "F" COMMUNICATIONS

F1.0 Communications

Communications between Hydro One Networks and UCTI related to the operation of the *Connection* must be consistent, efficient, and effective at all times.

Under normal operating conditions, communication shall be between the *Parties* respective *Controlling Authorities*.

Following any automatic breaker operations for circuits W35M, W36M, M37L, and M38L, Hydro One Networks shall promptly establish direct communication between the Hydro One *Controlling Authority*, the UCTI *Controlling Authority*, and the IESO, if required.



The Hydro One Network Transmission System Operator and the UCTI *Controlling Authority* will ensure that devices in their respective areas are in the position required and the final setup is described to the other utility.

SCHEDULE "G" MAILING ADDRESSES

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Email: [●] Jennifer.Tidmarsh@nexteraenergy.com

SCHEDULE "H" OUTAGE PLANNING

UCTI and Hydro One Networks have established the following process for reporting and scheduling outages.

H1.0 Advance Notice

H1.1 Hydro One Networks shall submit their *Outage* plans to UCTI on a twelve month rolling window basis. An auto email of a spreadsheet showing outages of the components affecting the UCTI-Hydro One Networks *Interconnection Facilities* over the next 12 months will be sent to UCTI every Thursday and constitutes Hydro One's formal advance notice of upcoming planned outages.

H1.2 UCTI shall email their *Outage* plans for any known *Planned Outage* to Hydro One Networks every 12 months or as soon as the need for the *Planned Outage* becomes known to UCTI.

H2.0 Application for Outages

The Parties shall identify their *Maintenance* and repair requirements for the *Interconnection Facilities*.

The requesting *Controlling Authority* or Party, as applicable, shall initiate a request to have the *Equipment* removed from service by submitting an *Outage* application to the UCTI Outage Coordinator and the Hydro One Networks Operating Planning Department.

Acknowledgement of *Outage* requests shall be provided by UCTI's Outage Coordinator and Hydro One Networks' Operating Planning Department in advance of all *Planned Outages*.

For identified Outages on circuits W35M, W36M, M37L, and M38L (including associated facilities), both Parties shall be required to submit an *Outage* application at least 33 days in advance of the anticipated *Planned Outage* date. The application shall represent the intent to take the relevant *Equipment* out of service at the scheduled time and to return it to service at the scheduled time.

Deferral or cancellation shall be provided by UCTI Outage Coordinator and Hydro One Networks Operating Planning Department normally ten (10) *Business Days* in advance of all *Planned Outages*.

If a *Supporting Guarantee* is required to support the requester's planned outage, it must be identified in the submission.

Approval or cancellation of the Outage, and approval or direction for the necessary switching procedures

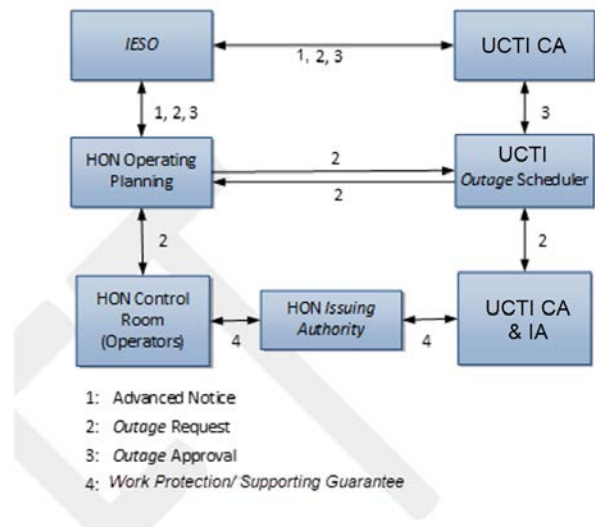
shall be obtained by the *Controlling Authorities* (just prior to the *Outage*) via normal operating channels.

The flow of communications for *Outage Planning* is depicted in Figure H 1.0

H3.0 Changes to Scheduled Outages

Either Party's *Controlling Authority* may request a change to the date and time of a prescheduled *Outage*. The notification of the requirement for change must be identified at least ten (10) *Business Days* in advance of the scheduled date. If the *IESO*, Hydro One Networks and UCTI can accommodate the change, then Hydro One Networks and UCTI shall establish a new date.

Figure H 1.0 Outage Planning Communications Diagram



A table with two columns and approximately 25 rows. The content is almost entirely redacted with black bars. Only a few cells in the second column are visible, showing some numbers and text fragments.

A table with two columns and approximately 25 rows. The content is almost entirely redacted with black bars. Only a few cells in the second column are visible, showing some numbers and text fragments.