

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), s. 74; and

AND IN THE MATTER OF an application by Entegrus Powerlines Inc. to amend its licensed service area, as described in Schedule 1 of its distribution license ED-2002-0563, to include the property and industrial customer located at 1 Cosma Court, St. Thomas, ON, N5R 4J5.

AFFIDAVIT

I, **JOHN GUSTIN**, of the City of St. Thomas, Province of Ontario, **SOLEMNLY**

AFFIRM AND SAY:

1. I am the Launch Manager at the Formet Industries industrial plant at 1 Cosma Court (the “**Plant**”). I have worked in some capacity on the hydroform process employed at the site since before the Plant was constructed. As such, I have knowledge of the matters to which I herein depose. Where I rely on information from others, I have stated the source of my knowledge and believe it to be true.

2. I began with Cosma International Inc. (“**Cosma**”) on [REDACTED].

3. My involvement with the Plant commenced around [REDACTED]
[REDACTED].

4. I have had various roles with Cosma over time. I was the [REDACTED]

[REDACTED]

[REDACTED]

5. Cosma was a wholly owned subsidiary of Magna International Inc. until the entities were amalgamated on December 31, 2000. Formet Industries was a business name first registered to Cosma, and then to Magna International Inc.

The Cosma plant opens in St. Thomas

6. As of December 1995, Magna International Inc. ("**Magna**") announced that it intended to build a plant using a new hydroforming technique to supply frames as part of automotive manufacturing. Hydroforming involves the use of high-pressure water to bend and form metal. A copy of a news article from the *Windsor Star* available online regarding the initial announcement is attached as **Exhibit "A"**.

7. Although I was not involved with site selection or privy to Magna's debates regarding where the Plant should be located, I was generally aware that there was competition to attract the Plant. The areas of competition referred to in the Windsor Star article, such as availability of land, rail access and electricity arrangements are consistent with the needs of large-scale automotive manufacturers and are relevant to the operations at the Plant today.

8. The Plant originally created approximately 800 direct local jobs, and today employs [REDACTED]
[REDACTED]. Indirect job creation and contribution to the local economy is much larger.

A copy of a news article from *The London Free Press* dated April 23, 1996 referring to this expected job creation is attached as **Exhibit “B”**.

9. Ultimately, Magna selected the St. Thomas region for construction of the new hydroforming Plant through its affiliate Cosma International Inc (“**Cosma**”) in 1996.

Agreements related to power and facilities

10. As early as 1996, discussions and contractual agreements between Ontario Hydro and Cosma referred to dedicated dual feeders for electricity supply to the Plant. I am aware that Cosma and Ontario Hydro originally entered into a memorandum of understanding (“**MOU**”). While Formet has been unable to locate the signed MOU, it has found an unsigned draft dated August 23, 1996, as well as correspondence between Ontario Hydro and Cosma about the negotiations which occurred in 1996 confirming that the MOU was in fact agreed on or about August 23, 1996, and that the MOU was later amended by addendum on or about November 18, 1996. Attached hereto and marked as **Exhibit “C”** is a copy of an unsigned MOU dated August 23, 1996 and marked “Draft”.

11. The August 1996 draft MOU makes reference to “construction of the two dedicated feeders required to supply this load”.

12. Attached hereto and marked as **Exhibit “D”** are two letters dated November 18 and 25, 1996 from Dean Peters, Account Executive with Ontario Hydro, sent to Scott Turner of Formet Industries, attaching an addendum to the MOU. The November 1996 correspondence refers to

"the two dedicated feeders that will serve this plant". The addendum to the MOU refers to "Formet's dual dedicated feeder system".

13. On August 27, 1997 Cosma and Ontario Hydro entered into an "**Agreement for Power**". The Agreement for Power evinces the initially contemplated electricity arrangements. The Agreement for Power is attached and marked as **Exhibit "E"**.

14. The Agreement for Power provides, pursuant to Section 4.2 and Schedule B-1, that Cosma is entitled to 38 MW of power on a firm basis 24/7. Pursuant to Section 3.1, such power was to be delivered via the two 27.6 kV dedicated feeder lines.

15. The Agreement for Power also sets out the negotiated price for such power and delivery, in Schedule B-4. In exchange, Cosma was obligated to draw all of its power exclusively from Ontario Hydro and those two dedicated feeders (section 2.2), failing which Cosma would have to pay an exit fee of up to \$475,000 (\$47,500 for each of the 10 years) to reimburse Ontario Hydro in part for its cost to install the feeders (Section 2.4(b)(1)).

16. The Agreement for Power contemplates at Section 2.4 that the electricity market was likely to be restructured by legislative act, and says that upon such restructuring, the parties must revise or terminate the Agreement for Power, or the legislation may in fact release Cosma from its exclusivity obligations entirely (in which case, Cosma would have to pay an exit fee to reimburse Ontario Hydro in part for its cost to install the feeders (Section 2.4(b)(1))). Cosma has no record of any payment of any exit fee.

17. Although the market was restructured in 2002 and the Plant was technically released from its exclusivity obligation (and there is no record of the Agreement for Power being renegotiated), the Plant nonetheless continued after 2002 to draw all of its power needs exclusively from Hydro One, via the two dedicated feeders. Hydro One continued to supply the Plant through the two dedicated feeders, as contemplated in the original Agreement for Power.

18. Within a few weeks of entering into the Agreement for Power, Cosma and Ontario Hydro also entered into a separate agreement specifically regarding construction of the two 27.6 kV feeders from the Ontario Hydro Edgeware Transformer Station to the Cosma plant. The Power Facilities Agreement was made as of October 15, 1997 (“**Power Facilities Agreement**”) and is attached hereto and marked as **Exhibit “F”**.

19. The preambles to the Power Facilities Agreement refer to the Plant’s power requirements being served by Ontario Hydro and the necessity of constructing two 27.6 kV feeders from the existing Ontario Hydro Edgeware Transformer Station to the Plant.

20. The Power Facilities Agreement also deals with the portion of the feeder equipment, switchgear and transformers which were to be located on the Cosma lands (the “**Formet Lands Switchgear**”). The Power Facilities Agreement attributes ownership of the Formet Lands Switchgear, with the end result that such equipment would initially be sold by Cosma to Ontario Hydro for up to \$750,000 prior to first use in 1997, and then sold back to Cosma for \$750,000 on or about December 31, 2007.

21. The Power Facilities Agreement was transferred from Ontario Hydro to Hydro One Networks on April 1, 1999. A letter wherein Hydro One Networks confirmed this transfer to Cosma is attached as **Exhibit “G”**.

22. I have reviewed an application by Allan Cowan of Hydro One to the Ontario Energy Board dated December 28, 2007, seeking leave to sell to Formet the assets described in the General Conveyance and Bill of Sale attached thereto, being the Formet Lands Switchgear, for the amount of \$750,000 plus GST. Leave to sell the Formet Lands Switchgear was granted by the Ontario Energy Board on March 12, 2008. The application, which was assigned Case Number EB-2007-0969 by the Board, and the Board’s Decision and Order, are attached hereto and marked as **Exhibit “H”**.

23. Ultimately, Magna and its affiliates have paid Hydro One for the construction and maintenance of the two dedicated feeders. Magna has paid \$1,225,000 plus monthly operating costs:

- a) \$475,000 for the portion of the feeders from Edgeware Transformer Station up to the Formet property line, as prescribed in section 2.4(b)(2)(ii) of the Agreement for Power;
- b) \$750,000 for the then 10-year old Formet Lands Switchgear; and
- c) monthly operating costs as a pass-through.

24. I have reviewed Entegrus’ Application in this matter, including the Agreements between Ontario Hydro and St. Thomas PUC marked as Attachment 3 to the Application (the “**OH/PUC Agreements**”). The contents of the OH/PUC Agreements support and confirm my understanding

and recollection that (i) Hydro One had agreed to pay Entegrus an agreed monthly rental amount over 20 years in respect of the original construction costs and the ongoing maintenance costs for the two dedicated feeders, and (ii) after 20 years of such payment, the feeders would be transferred to Hydro One at book value (at Hydro One's option), so that Hydro One could continue to serve ████████ as its exclusive distributor through the two dedicated and purpose-built feeders.

25. I have reviewed a portion of the 2015 Cost of Service Application of St. Thomas Energy Inc. (now Entegrus) (EB-2014-0113). In that application, Entegrus acknowledged that it received payments from Hydro One under the OH/PUC Agreements in respect of the Formet feeders and recorded it as revenue. The relevant excerpt from Exhibit 3, Tab 1, Schedule 6 to Entegrus' Cost of Service Application is attached as **Exhibit "I"**.

26. The dedicated feeders were purpose-built for the Plant. Formet has satisfied its obligation to pay off the full contracted amount for capital costs of the dedicated feeders. Entegrus has received payment in full for them and has recorded such payment as revenue in its OEB filings. This Application therefore seeks to give the feeders over to Entegrus and its customers after (i) Entegrus' original shareholder (the City of St. Thomas) has profited from the Plant, and its associated jobs and economic development; (ii) Formet and Hydro One have each paid in full the contracted amounts for the construction, operation and maintenance of the two dedicated feeders, and (iii) Entegrus and its predecessors have been paid in full for the cost of the feeders and booked such payments as revenue.

The Plant's use of the feeders

27. The Plant's energy load consumption from the M7 and M8 [REDACTED] [REDACTED] The Plant's existing equipment is capable of drawing [REDACTED] of power. Peak load has reached [REDACTED], and the annual peak has surpassed [REDACTED]. In 2018, peak load [REDACTED]. Peak levels change year-to-year, depending on the facility's operations. This variation reflects the from-time-to-time growth of its operations as well as the variability of its customers' demands, which growth and variability Formet expects will continue throughout the life of the operation of the facility. Peak electricity usage [REDACTED] [REDACTED] [REDACTED] Formet expects that load levels will [REDACTED] [REDACTED].

28. I understand that Entegrus refers to the feeders as "underutilized". This characterization speaks only to capacity and ignores the importance of reliability to the Plant.

29. Magna bargained for electricity capacity, reliability and redundancy when locating the Plant. The draft MOU describes the "construction of the two dedicated feeders required to supply this load". The addendum to the MOU refers to "Formet's dual dedicated feeder system". The November 1996 correspondence between Ontario Hydro and Cosma refers to "the two dedicated feeders that will serve this plant". The original Agreement between Ontario Hydro and St. Thomas PUC regarding the construction and cost of the feeders defines the term "Feeders" itself as "two dedicated 27.6 kV feeders". [emphasis added]

30. Even Entegrus recognized and accepted that the feeders are intended and required to be exclusively dedicated to the Formet Plant. As part of its 2015 Cost of Service Application referred to above, St. Thomas Energy Inc. (now Entegrus) filed an Overview of Assets Managed, in which it stated: “St. Thomas Energy owns six feeders. Four are used to supply the City of St. Thomas and two are used to supply the Formet Plant. The two feeders that are used for the Formet Plant are dedicated to that plant and cannot be used to supply the city.” The relevant excerpt from page 172 of 445 in Exhibit 2 to STEI’s 2015 Cost of Service Application is attached as Exhibit “J”.

31. Magna agreed to terms that compensated Hydro One for the cost of constructing and operating both feeders. And Hydro One in turn compensated Entegrus for the cost of constructing and operating both feeders, which terms Entegrus accepted. All so that Magna could have a reliable supply of electricity.

32. The Application filed with respect to this matter includes “ATTACHMENT 3”, an *Agreement for Supply Facilities [REDACTED] Two Dedicated 27.6 kV Feeders*. Section 5 of that attachment states:

Reliability of service is of paramount importance to the Customer. The [St. Thomas PUC] agree that any loss of integrity to either of the Feeders or the extensions thereof located on [REDACTED], will receive immediate attention by the PUC. If the Customer loses supply from the Feeders, as extended, for more than one minute due to their integrity the PUC will pay to [Ontario Hydro] for each such episode an amount equal to

the monthly rental and maintenance fee in effect at the time, which amount is not a penalty but represents a genuine pre-estimate of damages. [emphasis added]

33. Section 6 of the same agreement states that delivery of reliable energy to the Customer is the responsibility of Ontario Hydro.

34. The cover letter found in "ATTACHMENT 3" states that the monthly rental and maintenance fee would be \$5,827.93 in 1997.

35. Electricity reliability is a fundamental concern for Formet given that it is an industrial operator with a [REDACTED]
[REDACTED].

36. The necessity for two feeders [REDACTED]
[REDACTED]
[REDACTED]. However, equally important to the value of the second feeder is the [REDACTED]
[REDACTED]. When either one of the M7 or M8 feeders suffers an outage, [REDACTED]
[REDACTED] (which can handle loads [REDACTED] in emergency situations).

37. I have been advised by [REDACTED], Department Leader at Formet, and believe to be true that there have been occasions where [REDACTED]
[REDACTED]. In one example, [REDACTED]
[REDACTED]. I have also been advised by [REDACTED] and believe to be true that, in the 25+ years that the Plant has been operating, [REDACTED]

[REDACTED]

[REDACTED]

38. Without the second feeder available [REDACTED]

[REDACTED]

[REDACTED]

39. An outage for [REDACTED]

[REDACTED]. An outage [REDACTED]

[REDACTED]. An outage of [REDACTED]

[REDACTED].

40. I worked with Philip Page, General Manager Formet Industries, and Adam Perry, Manufacturing Services Formet Industries, to assemble information about the Plant. This information about equipment at the plant, estimated effects of outages and consequences of electrical disruptions, which I believe to be true, is attached as **Exhibit “K”**.

41. Exhibit “K” articulates that [REDACTED] are impacted by [REDACTED]

[REDACTED]. It also provides details about the impacts of both short-term and long-term electrical disruptions.

Load requirements in the St. Thomas region

42. My understanding is that Volkswagen is building a new electric vehicle battery plant approximately 3 km away from the Edgeware Transformer Station. An article from *The London*

Free Press dated March 14, 2023 in which the Mayor of St. Thomas refers to this new industry as “the largest automotive facility in Canada, ever” is attached as **Exhibit “L”**.

43. I have also reviewed an article available online in the *Stratford Beacon Herald* dated March 16, 2022. In that article, entitled *Entegrus preparing to meet future demand for electric vehicles*, the president of Entegrus Inc. was interviewed about the impact of electric vehicles on electricity demand. He is quoted as saying “wire is being upgraded to be able to handle more electricity going through it more or and larger transformers are also needed to handle the anticipated increase in demand for electricity”. This article is attached as **Exhibit “M”**.

44. [REDACTED]
[REDACTED] were to take over Formet’s feeders and use them to try to concurrently serve Volkswagen and/or Entegrus’ other customers.

Formet’s need for the feeders is unaffected by the matters raised by Entegrus

45. While silent on industrial growth in the region, the Application in this matter does refer to the Plant’s operations for the suggestion that Formet does not require the same power arrangements it has had for more than twenty-five years.

46. Entegrus’ assertions about Formet’s operations are false and suggest a lack of understanding and information about Formet’s operations. Entegrus’ misstated assertions should not constitute a basis to put Formet’s reliability at risk.

47. Entegrus refers to [REDACTED]
[REDACTED]
[REDACTED].

48. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

49. The application also refers to [REDACTED]
[REDACTED].

50. Entegrus refers to Formet's recent initiation of a Connection Impact Assessment (“**CIA**”) process to install 10 MW of load displacement generation on the M7 and M8 feeders.

51. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

Relief sought by Entegrus

52. I have reviewed the proposed scenarios outlined in section 5.5 of Entegrus' application. The only scenario proposed by Entegrus that Formet could support on its face is the scenario presented in section 5.5.1 of the application. That scenario involves the sale of the feeder lines by Entegrus to Hydro One and maintains the reliability of Plant.

53. Entegrus states that it would have to spend \$1,700,000 in this scenario. This figure is similar to (i) the \$1,225,000 that Formet already paid to Hydro One (in 1997-2007 dollars) for the dedicated feeders, and (ii) the \$1,403,000 (in 1997-2017 dollars) that Hydro One already paid to Entegrus.

54. The other proposed solutions require Formet to merely hope that either Hydro One or Entegrus will not reduce feeder line [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED].

AFFIRMED BEFORE ME:

☐

in person

☒

by video conference

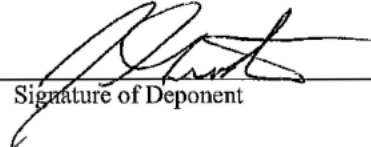
by John Gustin at the City of St. Thomas, Province of Ontario before me at the City of Toronto, Province of Ontario on April 17, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may be*)



Signature of Commissioner (*or as may be*)

ADAM DONALD HUNT CHISHOLM
LSO 56736M



Signature of Deponent

JOHN GUSTIN

This is Exhibit "A" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.



A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

NewsRoom

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1996 WLNR 3997122

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April 2, 1996

Section: Metro

Magna eyes local sites

By Chris Vander Doelen Star Staff Reporter

Magna International Inc. is checking out Windsor as a possible site for a truck chassis plant that would employ 700 people.

The company announced in December that it intends to use a new hydro-forming process to supply frames to truck assembly operations in Pontiac, Mich., Fort Wayne, Ind., and Oshawa.

Recent reports say the company is negotiating for federal government support for a plant somewhere in Southern Ontario -- or it could go to Ohio, Indiana, or even Iowa.

The Windsor-Essex County Development Commission confirmed Monday it has been approached by the company for information about possible sites.

!!I won't deny that we've chatted with them several times over the past few months," Development Commissioner Paul Bondy said Monday.

The commission has been asked to provide data about the availability of industrial land, power rates and taxes. But that doesn't mean Windsor or Essex County are front-runners for the plant, Bondy suggested.

Tillsonburg and St. Thomas are the only Ontario sites rumored so far as possible locations for the plant.

Uses new process

!!I was told it wasn't on the front burner," Bondy said of the

plant, which would make use of a new process that uses jets of high-pressure water rather than presses or welds to form steel.

!!There is always a possibility" Windsor could be chosen as the site for the plant, !!but there is no way of knowing where we are on the list," he said.

The plant is one of !!a handful or less" of large new manufacturing plants on the drawing boards in the Great Lakes region, Bondy said. It will therefore be the object of intense competition from municipalities vying for the jobs and tax assessment that will go with it.

Unlike the possible U.S. sites for the plant, Ontario communities are prevented by the Municipal Act from !!bonusing" -- the use of tax abatements or other incentives -- to lure investment.

All provincial support programs for new industry have been frozen by the Conservative government, although that could change when the new provincial budget comes down later this month.

But Windsor has other advantages which make it competitive, Bondy said; property taxes which are considered in the middle of the pack for Ontario, 2,500 acres of serviced land which can be purchased at cost, full rail and shipping access and the opportunity for cut-rate power contracts for large new consumers.

!!Over the long term, that alone could offset any (tax) abatement program they get elsewhere," he said of power costs.

Looking for funding

Magna is said to be in talks with the federal government to obtain funding for the plant under Technology Partnerships Canada. The \$250-million program is designed to provide loans for up to 30 per cent of development costs for new industry.

An executive vice-president of corporate development for Magna could not be immediately reached for comment Monday.

---- Index References ----

Company: INTIER AUTOMOTIVE INTERIORS LTD; MAGNA INTERNATIONAL INC; MAGNA CLOSURES DO BRASIL PRODUTOS E SERVIÇOS AUTOMOTIVOS LDA; MAGNA

Industry: (Automotive (1AU29); Automobiles (1AU45); Land Transportation (1LA43); Transportation (1TR48); Automotive Parts & Accessories Manufacturing (1AU98); Passenger Transportation (1PA35); Automotive Manufacturing (1AU46); Manufacturing (1MA74))

Region: (North America (1NO39); U.S. Midwest Region (1MI19); USA (1US73); Americas (1AM92); Indiana (1IN12))

Language: EN

Other Indexing: (ESSEX COUNTY; ESSEX COUNTY DEVELOPMENT COMMISSION; MAGNA; MAGNA INTERNATIONAL INC) (Bondy; Partnerships Canada; Paul Bondy; Recent; Tillsonburg)

Edition: Final

Word Count: 451

End of Document

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NewsRoom

This is Exhibit "B" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.


A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

St. Thomas lands 800 Magna jobs

A new plant will produce frames for General Motors.

Canadian Press

St. Thomas has won an 800-job contract with Magna International that will churn out hundreds of thousands of General Motors truck frames every year beginning in 1990.

Magna has chosen the city of about 30,000 as the home for its hydroforming plant, which will make the frames for GM pickups and sport utility vehicles, starting with the 1990 model year.

Magna will hire another 200 people for other plants that will feed into the St. Thomas plant, which will use the hydroforming technology of applying heavy amounts of water pressure to form steel tubes. The company chose Ontario for the plant despite overtures from several U.S. states. Graham Orr, the company's executive vice-president of corporate development, said Monday.

BETTER CLIMATE: The federal and Ontario governments are addressing their deficits and making the province a more attractive place to invest, he added. "Prior to that, the jury was out for us on whether this was an area where we should invest."

But the only government assistance is some training money, Orr said. He would not reveal the amount. The Markham-based company will not be tapping the newly created \$250-million Technology Partnerships Canada Program, he said.

The decision was also driven by the city's proximity to three of the five GM assembly plants that put together pickup trucks and sport utility vehicles, Orr said. The three major plants are in Oshawa; Pontiac, Mich., outside Detroit; and Fort Wayne, Ind., in the northeastern corner of the state.



CONFIDENTIAL

Canadian Press

SELLOFF PROTEST: GM worker George Knott of Peterborough demonstrates outside the company's headquarters in Oshawa on Monday. About 300 General Motors workers demonstrated against the automaker's plans to sell off two parts plants. GM says the plants, one in Oshawa and the other in Windsor, are no longer competitive. John Kovacs, local president of the Canadian Auto Workers union, said the workers have had enough of "corporate cannibalism." He said the automaker is raking in enormous profits and at the same time tossing workers into the street. GM

This is Exhibit "C" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
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Remotely.


A Commissioner for taking Affidavits (or as *may be*)

Adam D.H. Chisholm LSO# 56736M

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DRAFT

CC: [unclear]
- [unclear]
- [unclear]
[unclear]
[unclear]

CONFIDENTIAL 02

MEMORANDUM OF UNDERSTANDING

between

COSMA INTERNATIONAL INC (a Subsidiary of MAGNA International Inc.)
and
ONTARIO HYDRO

PURPOSE:

The purpose of this Memorandum of Understanding is to document discussions to date between Ontario Hydro and COSMA and to confirm Ontario Hydro's willingness to assist COSMA concerning the location of a new truck frame facility on Michigan Blvd. in St. Thomas, Ontario, to be known as Formet Industries. The commitments of Ontario Hydro and COSMA as detailed herein, supersede those described in previous correspondence.

COMMITMENTS:

Ontario Hydro and COSMA agree to enter into a ten year agreement beginning January 1 1998 and ending December 31st 2007 to provide for the following:

a) COSMA has advised that it will install equipment at the Formet facility having capability for a maximum demand of approximately 43 MVA and that the demand from this equipment will increase from 75% capacity beginning May 1998, to 100% capacity in January 2000. COSMA has further advised that this demand will be sustained over the ten-year term of the agreement. On the basis of the foregoing information, this 43 MVA of connected load, allowing for a coincident factor of 0.75, will result in a loading on the feeders required to serve this facility of approximately 33 MVA. No capital contribution will be required from COSMA for the construction of the two dedicated feeders required to supply this load. Ontario Hydro's responsibility for these feeders will end at the COSMA property line.

b) Ontario Hydro will provide up to \$2,000,000 toward the 27.6 kV switching facility to be located on suitable COSMA property including appropriate access. COSMA will grant an easement to Ontario Hydro, for the cost of \$1.00 to permit Ontario Hydro to locate the switching facility on the COSMA property for the duration of the agreement. This equipment will be installed and owned by Ontario Hydro, and will be operated and maintained for COSMA's benefit by Ontario Hydro on a fee-for-service basis. These fees will be the same as those charged to other Ontario Hydro customers for similar work.

This contribution of \$2,000,000 is to be applied to the cost of the switching facility only, and is exclusive of project management, design engineering and contract administration costs. COSMA in turn agrees to purchase the equipment from Ontario Hydro for the amount of \$1,000,000 at the end of the contract in December, 2007. If the cost of this switching equipment is lower than \$2,000,000, COSMA's purchase price will be 50% of the cost of the switching facility.

Review with Scott

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c) In addition, Ontario Hydro will arrange financing through its Equipment Leasing Program in the form of a lease to finance energy efficient plant equipment and electrical systems for the facility to a maximum value of \$8,000,000. Ontario Hydro will attempt to structure the lease to suit COSMA's requirements. Under this program, eligible equipment could include transformers, air compressors, chillers, other HVAC equipment, and lighting systems. Financing terms which are subject to credit approval, will be negotiated and mutually agreed to at a future date.

d) With respect to the project management, design engineering and contract administration services in connection with the step-down transformation from 27.6kV to lower voltages, COSMA may elect one of the following options:

1) COSMA may elect to have this work done by Ontario Hydro. This work will involve preparing designs, specifications, and tendering documents for equipment and installation. Tender evaluation will be done by Ontario Hydro on behalf of COSMA. The successful bidder will be selected, retained and paid for by COSMA. Site installation and construction will be managed by Ontario Hydro.

This project work will be provided by Ontario Hydro, at no cost, up to a total value of \$250,000. Upon completion and delivery of the Tendering Documents by Ontario Hydro, COSMA will pay Ontario Hydro the amount of \$50,000 toward the foregoing services. COSMA will pay an additional \$50,000 to Ontario Hydro when the step down transformers are installed (expected to be July '97). Costs in excess of \$350,000 (\$250,000 OH plus \$100,000 COSMA) will be paid by COSMA but will not be incurred without their prior approval.

COSMA will also pay Ontario Hydro disbursements including, but not limited to travel and living expenses for Ontario Hydro personnel incurred during this work, up to a maximum of \$30,000. Invoices supported with proper documentation will be rendered quarterly and must be paid within thirty days. The value of Ontario Hydro work noted above will be calculated using Ontario Hydro's fee for service rates. The current rate is \$100.00 per hour.

A budget review of this estimated cost for the above noted work (\$350,000) will be undertaken with COSMA when final design parameters are known such as voltage levels, transformer sizes and locations.

operating?
lease?
Rate:

Advantage
supplier
responsible

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- 3 -

OR:

Should get quote?

(11) COSMA may elect to retain another contractor to perform this project work: provided that COSMA shall permit Ontario Hydro to make a presentation concerning this project work and to otherwise demonstrate its expertise in this area: and provided further, that COSMA will otherwise use its best efforts to retain Ontario Hydro to perform this work in accordance with the provisions of sub-paragraph (1) above. In the event that COSMA elects to retain another contractor to perform this work, COSMA shall not be entitled to any contribution from Ontario Hydro.

e) Ontario Hydro will provide advice to COSMA in the areas of Power Quality and Energy Efficiency, for the three-year period commencing September, 1996, up to a value of \$250,000 at no cost to COSMA. The applicable Ontario Hydro fee-for-service rates at that time plus any disbursements will be used to calculate this value. If requested by COSMA, Ontario Hydro will, as part of these services, install metering and monitoring equipment to assess the electrical operating characteristics of the Formet facility.

This metering and monitoring equipment would be used to collect data which Ontario Hydro would analyze to recommend power quality improvements. This analysis would be provided to COSMA along with the recommendations. Power quality improvements could include the installation of power quality mitigation equipment such as UPS, filters, capacitors or other mitigating devices. COSMA would decide what equipment would be purchased and would be responsible for the cost of equipment and installation. Again, if the equipment is eligible, Ontario Hydro will arrange financing through its Equipment Leasing Program.

other choices?

f) COSMA agrees to enter into a written contract to cover transmission and the purchase of power and energy from Ontario Hydro, as the exclusive supplier to Formet Industries, as of the facility in-service date (estimated June, 1997), until January, 2007. The power prices charged to COSMA will be those in effect at the time for Ontario Hydro Direct Customers for both energy (kwhrs) and peak demand (kw) and will be firm, time of use prices. Ontario Hydro has committed to freezing average energy prices until the year 2000. All other conditions of supply will be in accordance with Ontario Hydro's standard terms and conditions of service for all Direct Customers in the Province.

Aug - 23 - 96 10:45A

P.05

- 4 -

g) COSMA agrees that it will not self-generate any of the power required by the facility during the ten-year term of the contract. COSMA further agrees that it will only use the proposed on-site backup generation associated with its Wax Facilities when both of the 27.6 kV Ontario Hydro dedicated feeders are out-of-service. At no time including testing and routine maintenance, should this backup generation be operated in parallel with the Ontario Hydro system.

All of the foregoing commitments are intended to form the basis of an agreement to be negotiated in full detail at a later date and are not binding until all internal, third party and government approvals are acquired and formal agreements are signed.

AGREED TO:

BY ONTARIO HYDRO

BY COSMA INTERNATIONAL INC.

Dean Peters P.Eng
Account Executive

Nick Orlando
Director of Finance

DATED: August ____, 1996

This is Exhibit "D" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.



A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

11/25/98 18:08 4165924301

BILL HALE

George @001

FAX to

C.C. Turner

Post-it® Fax Note	7671	Date	# of pages
To	Tramp Roger	From	Scott Turner
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

700 University Avenue, Toronto, Ontario
November 25th 1996

Formet Industries
Troy Michigan

Attention: Scott Turner AGM

From:

Dean Peters

VM 416 606 5264 Pager 416 374 3590

Dear Scott:

Please recall our conversation on Friday Nov. 22nd when we reviewed our offering for the construction of switching facilities for the St. Thomas plant.

We have again revisited the many elements of this negotiation to determine where we can be flexible in meeting your needs. These discussions have included our GRID System Planning Department who are responsible for the capital investments we are making as well as our Transmission Projects Department who submitted the bid for both the inside and outside work at St. Thomas.

You indicated on Friday that you understood and were comfortable with the majority of the clarifications that we made to our offerings as summarized in our November 18th letter. The major item for discussion was whether or not the in-plant transformers could be financed and that question is what we spent time discussing on Friday.

In reviewing that transformer package with the people who prepared our bid, I discovered that the value is quite different than what we had been discussing. Specifically, if you choose option A) in our bid, the transformer package will be approximately \$1.75 million and if you choose option B) it will be \$2.44 million. These are break-out prices that we have provided to you via our Transmission Projects Department. They are very much higher than the nominal \$750,000 that we were using in our conversation last Friday. If you add either of these numbers to the value of the switching facility, the total is well beyond the \$2 million dollar limit that was established via our Memorandum.

We are prepared, however, to show some added flexibility, and thus increase the value of our offering.

The switching facility has a quoted value of \$550,000 and it will be financed to the year 2007 per the Memorandum of Understanding. We are prepared to add to this amount the Relaying, Communications and DC Power equipment, all of which is part of the Protection and Control requirements. This package has a total quoted price of \$168,000.00. In addition we are prepared to finance the \$52,000.00 cost to install a temporary by-pass, allowing you to receive power from two feeders by March 1st 1997.

The total value of engineering, equipment, and installation labour that we are thus prepared to finance at those very attractive terms, now totals over \$776,000.00.

While you are reviewing the value of our offering, I thought I might offer some information on the costs associated with bringing the power to your plant site. We will be investing well over \$1,100,000.00 in new equipment at the Edgeware TS as well as the two dedicated feeders that will serve this plant. This is at no cost to Formet. In addition, we are launching this week (as requested) the Power Quality Services initiative which has a value of \$250,000.00.

11/25/96 18:08 4105924301

BILL HALE

002

page two

We also approached the resolution of this matter from the standpoint of how we should best apply our resources to ensure the success of your plant, from the initial start-up through to the longer term successful operation. Our consensus was that our offerings focus on the continuity of supply from the (transformer station, through the feeders, across your property line and terminating at an outdoor switching facilityall of which we will own, (some sold to you at a later date) operate and maintain. We will do our very best to ensure our staff and vendors deliver on these commitments. We have much experience in doing this type of work!

I trust you will agree with our position..... that we have delivered on the intent and the "letter" of our Memorandum, in the commitment to provide a switching facility and finance it at very attractive terms. As this project has progressed through the detailed design stage, there has been a significant change in the scope of that facility, which has resulted in major cost reductions. Fornet will still benefit from those cost reductions!

We hope that this information will help you move towards an early decision on the switching facility so that our staff can proceed with ordering equipment and committing engineering staff. We value your business and sincerely wish to demonstrate our ability to deliver.



Dean Petras P. Eng.
Account Executive

CC Nick Orlando COSMA Concord

11/18/96 16:40 4185924301

BILL HALE

002

ontario hydro

700 University Avenue, Toronto, Ontario M5G 1X6

November 18, 1996

Formet Industries

St. Thomas Ontario

Attn: Scott Turner

Dear Scott,

The following is in response to your questions of Friday November 15, 1996 and your fax of the same date:

Item b) "Installation/commissioning deadline is as per RFQ - March 1, 1997."

- Based on currently quoted delivery schedules from the supplier, the equipment delivery is 18 weeks from placement of order.
- Based on placing an order today, the earliest install/commission complete date is April 30, 1997.
- If the April date is not acceptable, then as an interim solution, Ontario Hydro could install a temporary 1 circuit bypass of the switchgear facility to provide power until the switchgear is in place.
- The additional cost of the bypass would be to Formet's account. An estimate of the extra cost is being prepared.
- A brief outage will be required to connect the switchgear after commissioning.

Item b) "Other related items to switching facility are eligible for the Ontario Hydro contribution of \$2 million. See list provided."

- 27.6 kV O/H from property line Included
- 27.6 kV U/G to outdoor switching facility Included
- Outdoor Switching Facility
 - CIVIL WORK - Included
 - GROUNDING - Included
 - FENCING - Included



18/98

16:41

4185924301

BILL HALE

003

55 Mgrs

80

25
9

Cush = 82

- PROPOSED RELAYING TO ADDRESS HYDRO CONCERNS/ DC POWER SOURCE/ CHARGER FOR RELAYING

These items are not included in your tendering document. They could, however be included in the financing of the outdoor-switching facilities at an approximate cost of \$170,000. Please note that this is a PROTECTION AND CONTROL requirement

Included

felling

- OUTDOOR SWITCHING FACILITY AMENITIES

We are unaware of any.

- ADDITIONAL EQUIPMENT

The following equipment would not qualify for financing under clause b).

- Digital metering System/Metering Bays, 25 k-
- 27.6 kV loop cables and switches, ~
- 27.6 kV transformer primary switches, and
- 27.6 kV/600 Volt transformation,

we must do this

OK

The primary reason is this equipment cannot be owned, operated and maintained by Ontario Hydro and it will be inside the plant.

Item f) "such prices shall not be in excess of the lowest prices charged to Ontario Hydro customers at the same voltage".

alternative
95%

To clarify the MOU dated August 26, 1996 the prices charged to Former shall not be in excess of the lowest prices charged to Ontario Hydro customers receiving power at FIRM TIME OF USE prices at the same voltage.

→ what customers are not Firm Time of Use

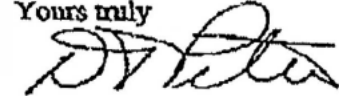
Item e) Regarding Power Quality Assessment

We have initiated the Power Quality Assessment Process through Mr. Keith Brown, Manager Power Select (a division of Ontario Hydro) for the Former and Pressman facilities. We would also confirm that we are endeavoring to minimize power outages in the design of the feeders to the Former facility.

interruptible or night guy

We hope that the above information and clarifications will help you to reach a favourable decision.

Yours truly



Dean Peters
Account Executive

who is he?
introduced

- surplus power

- guaranteed power 30-50% - 1-2 yr



Formet Industries

25 Michigan Boulevard
St. Thomas, Ontario N5P 4J5
Tel: 519-633-8400
Fax: 519-631-8066

ADDITIONAL TERMS TO MEMORANDUM OF UNDERSTANDING of AUGUST 23, 1996

- Item b) Installation/commissioning deadline is as per RFQ - March 1, 1997
- Item b) Other related items to switching facility are eligible for the Ontario Hydro contribution of \$2 million. See list provided.
- Item f) ... such prices shall not be in excess of the lowest prices charged to Ontario Hydro customers at the same voltage.
- Item e) Ontario Hydro is to begin the power quality assessment process immediately; potentially reviewing Presstran's experiences, but projecting to Formet's dual dedicated feeder system. The intent is to build feeder lines that minimizes power outages and maximizes power quality.

This is Exhibit "E" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.


A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

AGREEMENT FOR POWER**THIS AGREEMENT** made in triplicate on

August 27, 1997

B E T W E E N:

ONTARIO HYDRO of the first part

- and -

COSMA INTERNATIONAL INC.

of the second part

hereinafter called the "Customer"

WHEREAS the Customer is duly incorporated with Head Office in Concord, in the Province of Ontario and is carrying on business at its plant on Cosma Court in St. Thomas, in the Province of Ontario and has applied to Ontario Hydro for a supply of electrical power for use at its said plant and the parties have agreed to enter into an agreement for the supply of said power to the Customer upon the terms and conditions hereinafter appearing;

WHEREAS Ontario Hydro has incurred liabilities totalling \$1,575,000.00, which will be substantiated by Ontario Hydro at the request of the Customer (including reasonable supporting documentation) off the Customer's premises to connect the Customer, and the Customer has agreed to accept an obligation for \$475,000.00, less possible forgiveness as described in Section 2.4, toward labour, materials, and financing for the additional facilities for premium service ("the Investment") on the assumption that the Customer would purchase from Ontario Hydro all the said plant's power requirements at Ontario Hydro's published firm time-of-use rates until August 31, 2007;

NOW THEREFORE in consideration of the mutual covenants herein and subject to the provisions of the Power Corporation Act, R.S.O. 1990, c.P.18, as amended, and the Regulations thereto, and subject to the approval of the Lieutenant Governor in Council, the parties hereto mutually agree as follows:

Section 1 - Definitions and Recitals:

1.1 Definitions which apply in this Agreement are listed in Section B-2 of Schedule B; and the parties confirm the truth and accuracy of the above recitals to this Agreement and agree that those recitals form part of this Agreement.

Section 2 - Term of Agreement:

2.1 This Agreement shall become effective on September 1, 1997, (the "Commencement Date"), and except as otherwise provided in this Agreement, shall be in force for a term of ten years, (the "Initial Term"), and from year to year thereafter. Except as otherwise provided herein, this Agreement may be terminated at the end of the Initial Term or thereafter on any anniversary of the Commencement Date by 60 days prior notice in writing from either the Customer or Ontario Hydro to the other.

2.2 The Customer agrees that, during the term of this Agreement, it will not generate any of the power requirements for the said plant, and will, instead, purchase all of the said plant's power requirements from Ontario Hydro, pursuant to this Agreement, subject to the condition that if at any time there is an simultaneous interruption to both of the 27.6 kV supply circuits, the Customer will have the right to operate on-site back-up generation only for the duration of the interruption. The Customer further agrees never to operate said back-up generation in parallel with the Ontario Hydro System.



2.3 Effective as of the Commencement Date this Agreement supersedes any previous agreement for the supply of power to the Customer at the said plant, other than the Power Facilities Agreement into which Ontario Hydro and the Customer are entering contemporaneously with this Agreement.

2.4 (a) Ontario Hydro and the Customer acknowledge that the potential for electrical industry restructuring, including a regime for open access in the supply of electricity in Ontario, exists during the Initial Term of this Agreement. While the new form and structure are presently unknown, the parties agree that after such restructuring takes effect they shall negotiate in good faith to revise or terminate this Agreement in accordance with good business practices. Ontario Hydro and the Customer also acknowledge that operation of law or legislative act may result in the Customer being released from its obligation to purchase all of the plant's power requirements from Ontario Hydro pursuant to this Agreement or at all.


(b) If the Customer, prior to September 1, 2007, takes any of the plant's power requirements from anyone other than Ontario Hydro, whether as a result of the said negotiations or the failure of said negotiations, or as a result of the said operation of law or legislative act, the Customer shall pay to Ontario Hydro an exit fee, pursuant to Section 2.4(b) (1):

- (1) the exit fee to be paid by the Customer to Ontario Hydro to satisfy the Customer's obligation to reimburse Ontario Hydro for the Investment shall be the \$475,000.00 as set out in the recitals to this Agreement, which obligation shall be forgiven at the rate of \$47,500.00 for each consecutive twelve month period during the term of this Agreement; and
- (2) if payment of the exit fee by the Customer is triggered pursuant to Section 2.4 (b) hereof, and if the Customer pays Ontario Hydro the exit fee set out in Section 2.4 (b)(1) hereof, Ontario Hydro shall inform any entity that assumes ownership of the facilities

constructed and/or installed by or on behalf of Ontario Hydro, which facilities are the basis of the Investment, and Ontario Hydro shall also inform the body regulating such entity, and provide reasonable supporting documentary evidence, that:

- (i) the Investment represents an obligation incurred by the Customer to Ontario Hydro toward the incremental cost of facilities within and from Ontario Hydro's Edgeware T. S. to the property line of the plant, to provide a premium level of service to the Customer; and
- (ii) the Customer agreed to repay Ontario Hydro for the said debt through the purchase of power and pursuant to an exit fee set out in this Agreement; and the Customer paid the required exit fee to Ontario Hydro; and
- (iii) Ontario Hydro recommends that after the Customer has eliminated this obligation through any combination of forgiveness of the Investment for premium service as described in Section 2.4 (b) (1) and exit fee, the Customer should not ever be required to pay such exit fee again.

2.5 The Customer's covenants in this Section 2.4 shall survive the termination of this Agreement



The Customer's covenants in this Section 2.5 shall survive the termination of this Agreement.

2.6 For greater certainty, Ontario Hydro and the Customer acknowledge and agree that the Customer's obligation to reimburse Ontario Hydro for the Investment as set out in the recitals to this Agreement shall be forgiven in accordance with Section 2.4 (b) (1) above during the period that this Agreement remains in effect and shall be forgiven at the end of the Initial Term, unless previously paid by the Customer in the form of the exit fee described in Section 2.4 (b) above.

Section 3 - Delivery of Power:

3.1 The Power delivered hereunder shall be three phase alternating current at a nominal frequency of 60 hertz and at a nominal voltage of 27,600 volts and shall be subject to the provisions set forth in Schedule A.

3.2 The point of delivery for Power hereunder shall be the point at which the two dedicated feeders cross the Customer's property line.

Section 4 - Availability of Power:

4.1 Subject to the other provisions of this Agreement, Ontario Hydro shall make available to the Customer the amount of Power specified in Section 1 of Schedule B, commercially continuous every day in the year; provided that Ontario Hydro shall have the right to interrupt the supply of Power to the Customer at any time to the extent necessary to safeguard life or property. Ontario Hydro will plan to conduct all planned construction, maintenance, operation, repair, replacement, or extension of the two dedicated feeders in a manner which avoids simultaneous outages on the feeders. In addition, planned outages for the maintenance of the switching facility will be co-ordinated with the Customer plant personnel to occur during the Customer's summer shutdown.

4.2 The amount of Power to be made available to the Customer by Ontario Hydro may be changed from time to time only by written agreement of the parties, provided that, in Ontario Hydro's opinion sufficient time is allowed Ontario Hydro to provide any additional facilities that may be necessary to accommodate such changes. If agreement is reached, Schedule B shall be amended accordingly, in writing, and the amendment shall then become applicable without further action by the parties.

Section 5 - Rates and Charges:

5.1 The Customer shall pay Ontario Hydro monthly for charges under this Agreement in accordance with the provisions of this Agreement.

5.2 Ontario Hydro may change its rates and system of charges, including but not limited to, altering the Periods of the Season, Peak Hours, Off-peak Hours and Public Holidays at any time by giving written notice to the Customer at least 60 days prior to the effective date of the change.

5.3 During the Initial Term of this Agreement, the rates payable by the Customer shall not be greater than the rates on any schedule of rates for Firm Power time-of-use published by Ontario Hydro for customers contracting for power from Ontario Hydro delivered at similar voltage and in similar quantities as to the Customer.

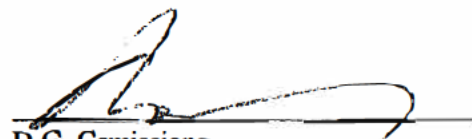
Section 6 - Notices:

6.1 Any written notice required by this Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Ontario Hydro, 700 University Avenue, Toronto, Ontario, M5G 1X6 on behalf of Ontario Hydro; or to Mr. Nick Orlando, Vice President Special Projects, 50 Casmir Court, Concord, Ontario, L4K 4J5, on behalf of the Customer. 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.

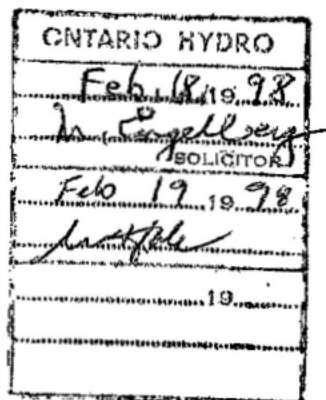
Section 7 - Entire Agreement:

7.1 This portion of the Agreement, together with Schedules A and B, attached hereto, comprises the entire Agreement for Power between the parties.

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

ONTARIO HYDRO

D.G. Commissiong

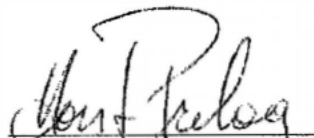
Director - Wholesale Power Division

**COSMA INTERNATIONAL INC.**


Jun 14-98

Nick Orlando

Vice President, Special Projects



Jun-14-98

Horst Prelog

Director Of Operations, Chassis Group



SCHEDULE A - Forming part of the Agreement dated August 27, 1997, between ONTARIO HYDRO and COSMA INTERNATIONAL INC. ("the Customer").

TERMS AND CONDITIONS

A-1. Conditions of Supply

The maintenance by Ontario Hydro of the nominal frequency and nominal voltage at the point of delivery shall constitute the supply of Power and fulfilment of all the operating obligations of Ontario Hydro respecting delivery of Power. When the voltage and frequency are maintained as specified, in Section 3.1, the amount of Power taken, its distribution as to phases (except to the extent that inequality of such distribution is caused because the no-load voltage between phases at the point of delivery are unequal), its fluctuations, load factor and power factor are under the sole control of the Customer.

Except for abnormal operating conditions, variations from any nominal frequency or nominal voltage shall not exceed appropriate ranges of tolerable values as specified in the then current Ontario Hydro publication "Procedure for Customer Owned Facilities Supplied at Voltages Less Than 50 kV and Load Greater Than 5 MW", or successor Ontario Hydro publications. The Customer shall be responsible for installing protective equipment to protect its own property and operations from variations in frequency and voltage or from temporary delivery of other than 3 phase power. In no event shall Ontario Hydro be liable to the Customer for any loss, damage or injury resulting directly or indirectly from variations in frequency or voltage or for temporary delivery of other than 3 phase Power or any of them.

Ontario Hydro will exercise reasonable diligence to provide a regular and uninterrupted supply of Power in accordance with the terms of the Agreement, but nothing contained in the Agreement shall be construed as obligating Ontario Hydro to guarantee such continuity of Power supply, and Ontario Hydro shall not be liable to the Customer in damages for any failure to maintain such supply howsoever caused.

If Ontario Hydro's inability to make Power available or the Customer's inability to use Power is in either case attributable to an Uncontrollable Event or the Power is interrupted by Ontario Hydro for any of the purposes described in Section 4.1, then neither party shall be liable to the other for damages or breach of contract.

A-2. Customer's Premises:

The Customer hereby grants to Ontario Hydro or its authorised agents the right at all times during the continuance of this Agreement to use, free of charge or rent, certain portions of the Customer's lands as may be necessary for the supply of Power hereunder, the amount and location of the lands required to be mutually satisfactory to Ontario Hydro and the Customer. Where any transmission line, plant or equipment of Ontario Hydro is located on the said lands for the supply of Power to the Customer, the Customer grants to Ontario Hydro the right at all times to use the said transmission line, plant or equipment, free of charge or rent, and the right to do everything reasonable in connection with the said transmission lines, plant or equipment of Ontario Hydro which Ontario Hydro from time to time may reasonably require for the purposes aforesaid, including the right to trim or remove trees and brush where Ontario Hydro considers it necessary to do so for the protection or operation of its works. The Customer agrees to keep its structures, machinery, plant and works at such distance from Ontario Hydro's power supply facilities as will permit the safe and efficient maintenance and operation of those facilities. If the Customer requires relocation of any of Ontario Hydro's works and facilities, the Customer shall furnish on its lands another location satisfactory to Ontario Hydro. Ontario Hydro will perform the work of relocation and the Customer will pay the cost thereof to the extent that such works and facilities are used for supply of Power to the Customer.

Ontario Hydro may, within 90 days after the termination of this Agreement, remove from the premises of the Customer any and all apparatus, equipment and works which may have been installed by Ontario Hydro upon such premises for the supply of Power to the Customer or other customers. Ontario

Hydro is willing to sell the metering equipment to the Customer at mutually agreeable prices.

Representatives of Ontario Hydro appointed for the purposes of this section may at any reasonable time during the continuance of this Agreement, have free access to the premises of the Customer for the purpose of inspection, installation, operation, testing, adjustment, repair, alteration, construction, reconstruction and removal of any measuring equipment and any other apparatus, equipment and works belonging to Ontario Hydro and located on the premises of the Customer and for the purpose of inspecting the electrical works and electrical records of the Customer and taking copies from the latter as required and creating its own electrical records.

Notwithstanding anything in this Agreement, no employee or agent of Ontario Hydro shall enter upon the lands or premises of the Customer without first obtaining the Customer's permission to do so in accordance with the Customer's reasonable safety and security requirements, but if at any time such permission is refused or delayed and by reason thereof Ontario Hydro is prevented from fulfilling any obligation under this Agreement or any other agreement with respect to the supply of Power to any person or persons other than the Customer, then Ontario Hydro shall not be liable in damages for failure to perform the said obligation and the Customer shall indemnify Ontario Hydro against all claims and demands arising in any manner therefrom.

The Customer shall assume all risk, liability or obligation in respect to all damage to property of Ontario Hydro on the lands and premises of the Customer, to the degree which damage shall have been due to the negligence of the Customer, its employees, or agents and all loss, damage or injury to property of the Customer or property of any third person on the said lands and premises, or to any person or persons (including loss of life) on the said lands and premises, which shall have been due to Power supplied to the Customer or due to the said property of Ontario Hydro to the extent used to supply Power to the Customer, except to the degree that such loss, damage or injury shall have been due to the negligence of Ontario Hydro, its employees or agents.

A-3 Metering

Ontario Hydro shall provide, install and maintain the meters and associated equipment which are needed to determine the amounts of power and energy used by the Customer. If requested by Ontario Hydro, the Customer shall provide a safe and suitable location free of charge on the Customer's premises for the installation and maintenance of Ontario Hydro's measuring equipment.

If in Ontario Hydro's opinion there are special conditions which must be met in the Customer's station or switchgear with respect to measuring equipment, the Customer shall at its own expense provide, install and maintain in accordance with plans and specifications approved by Ontario Hydro, that part of the associated equipment necessary in Ontario Hydro's opinion for the installation and operation of Ontario Hydro's meters.

If the measuring equipment is not connected at the point of delivery defined in this Agreement, or the intersection of Formet Way and the east limit of the Customer's property as it exists at the date of the Agreement, all amounts so metered may be appropriately adjusted to give results such as would be obtained by measuring equipment connected at the point of delivery. If, for any period the measuring equipment or any part thereof is not in service, the consumption during such period shall be determined from the best information available.

If requested in writing by the Customer, Ontario Hydro shall arrange for the testing and inspection of its measuring equipment by a person qualified to do so. If such tests show that the measurements are accurate within the limits prescribed by law the cost of making such tests or inspections shall be paid by the Customer. If any tests or inspections show Ontario Hydro's measurements to be inaccurate by more than the limits prescribed by law, an offsetting adjustment shall be made in the Customer's bills for any known or agreed period of inaccuracy; in the absence of such knowledge or agreement the adjustment shall be limited to 45 days prior to the date of the written request for a test. Any Ontario Hydro



measuring equipment found to be inaccurate by more than the limits of accuracy prescribed by law shall be promptly replaced, repaired or readjusted by Ontario Hydro at no expense to the Customer.

A-4. Billing

Ontario Hydro will bill the Customer for all payments required to be made for Power under the Agreement during the preceding calendar month as soon thereafter as practicable. The Customer shall pay such bill within 10 days after the date of the bill. Interest shall be payable on any amount so billed and remaining unpaid 10 days after the date of the bill at the effective rate of interest set by Ontario Hydro from time to time for unpaid accounts. If any bill remains unpaid for 30 days after the date of the bill, Ontario Hydro may, in addition to all other remedies available to it, and after giving to the Customer at least 10 days notice in writing of Ontario Hydro's intention to do so, discontinue the supply of power and may refuse to resume delivery so long as any past due bill remains unpaid.

A-5 Security for Payment of Accounts:

Although not required at this time, the Customer may be required by Ontario Hydro to furnish security satisfactory to Ontario Hydro for the performance by the Customer of its obligations under this Agreement, and if so required, shall maintain the security in full force and effect for the remainder of this Agreement. At no time shall the amount of security be less than such amount as Ontario Hydro deems reasonably necessary to guarantee payment for power under this Agreement for the 3 month period during the year in which the Customer's power consumption is at its maximum.

The security must be in a form acceptable to Ontario Hydro and may be an irrevocable letter of credit given by a bank chartered in Canada, a surety bond given by a surety company acceptable to Ontario Hydro, negotiable bonds satisfactory to Ontario Hydro or a cash deposit. The Customer, if not in default under this Agreement shall be entitled to the interest payable on negotiable bonds held as security or the interest on cash security deposits at the prevailing rate paid by

Ontario Hydro on cash deposits. Where the Customer has furnished any of the forms of security hereinbefore specified, the Customer if not in default as aforesaid shall have the right at any time to substitute for the security any other of the forms of security acceptable to Ontario Hydro.

If at any time the security furnished to Ontario Hydro becomes unsatisfactory to Ontario Hydro, the Customer upon request of Ontario Hydro shall promptly furnish security that is satisfactory to Ontario Hydro.

A-6. Resale of Power

The Power supplied is for the use of the Customer in the operation of its plant at the location specified in this Agreement and shall not be resold or otherwise disposed of directly or indirectly, without the written consent of Ontario Hydro.

A-7. Customer's Equipment

The Customer agrees to provide suitable transforming equipment and all other electrical equipment from the point or points of delivery of the Power, including electrical equipment Ontario Hydro deems necessary from time to time during the continuance of this Agreement for the safety and security of the operation of Ontario Hydro's power supply system. All of the said equipment of the Customer shall be subject to the approval of Ontario Hydro, and shall be installed, maintained and operated in a manner satisfactory to Ontario Hydro. Until such approval has been given, Ontario Hydro shall not be bound to deliver any power under the Agreement or, if delivery has commenced, to continue such delivery. The Customer shall only connect transformers having losses acceptable to Ontario Hydro.

A-8. Automatic Reclosing

Where Ontario Hydro has installed on its facilities, equipment for automatic reclosing of circuit breakers after an interruption of power supply, it shall be the obligation of the Customer to provide, at its sole expense, (a) adequate protective equipment for all

electrical apparatus of the Customer that might be adversely affected by Ontario Hydro's reclosing equipment, and (b) such equipment as may be required for the prompt disconnection of any apparatus of the Customer that might affect proper functioning of Ontario Hydro's reclosing equipment. Ontario Hydro will co-operate with the Customer to reach mutual agreement as to the reclosing time of Ontario Hydro's equipment, but failing such agreement the decision of Ontario Hydro as to that time shall be final.

A-9. Power Factor

The Customer shall take and use power at all times in such manner that the ratio of the kilowatts to the kilovolt-amperes when measured simultaneously at the point of delivery for power is as near unity as practicable. If at any time the ratio is in Ontario Hydro's opinion unacceptable, the Customer agrees to make at its own expense, upon request, the changes necessary to increase the ratio to an acceptable value.

A-10. Phase Balancing

The Customer shall take and use the power so that the current will be taken from the three phases equally as far as practicable. If at any time the unbalance in current is in Ontario Hydro's opinion excessive, the Customer agrees to make at its own expense, upon request, the changes necessary to reduce the unbalance to an acceptable value. These values are generally described in the Ontario Hydro publication referred to in Section A-1.

A-11. Electrical Fluctuations and Interference

The Customer shall operate in such a manner as not to cause disturbance, fluctuations or interference on Ontario Hydro's power system, communication systems or control circuits or those of any other third party. Ontario Hydro will notify the Customer of any such disturbances, fluctuations or interference and the Customer, within a reasonable period of time, shall take such remedial measures at its sole expense by way of installing suitable apparatus or otherwise as may be necessary to reduce any disturbance or fluctuations or interference to a tolerable level. In any event, the Customer shall indemnify Ontario Hydro

from all claims and demands made against Ontario Hydro by any third party in consequence of the Customer's operating so as to cause disturbance, fluctuations or interference as set out at the beginning of this Section A-11.

A-12. Customer's Operation

If at any time the Customer fails to perform any of its obligations affecting operation under this Agreement including, without limiting the generality of the foregoing, taking power in excess of any maximum amount specified in this Agreement, or of any limit of amount then in force, or failing to operate as required by this Agreement, then Ontario Hydro may, primarily for the safety and security of the power system, give notice thereof to the Customer, which notice may be given by telephone to an employee of the Customer by an employee of Ontario Hydro, and the Customer shall immediately remedy the said failure. In case of continued failure for more than 15 minutes after the notice, Ontario Hydro may discontinue delivery to the Customer of all power or of any part thereof and shall not be obliged to resume delivery until the Customer has remedied the failure. The Customer shall forthwith designate in writing to Ontario Hydro the name of the employee to whom notices under this clause are to be given, and in default of such designation or in the event of the said employee not being immediately available to receive any such notice, it may be given by telephone or otherwise to any other employee of the Customer.

A-13. Termination for Breach

If, in the event that the Customer fails to perform any obligation under this Agreement, and Ontario Hydro advises the Customer in writing that the obligations must be fulfilled within a reasonable period of time, and the obligation is not fulfilled within the stated time period, then Ontario Hydro may discontinue delivery of power and may refuse to resume delivery until the obligation has been completely fulfilled. Ontario Hydro's right to discontinue to supply power to the Customer is in addition to, not in limitation of, any other rights of Ontario Hydro provided for in this Agreement, including, without limitation, any other right of Ontario Hydro under this Agreement to




discontinue delivery of power to the Customer, and it shall not be construed as a breach in itself, nor shall its application relieve the Customer from fulfilling all of its other obligations under this Agreement, including, without limitation, the Customer's obligation to pay for power in accordance with the provisions of this Agreement. In the event the obligation is not fulfilled by the Customer within the said reasonable period of time specified in the notice from Ontario Hydro, Ontario Hydro may advise the Customer in writing that the obligation must be fulfilled within a second period of time (not less than 10 days) or this Agreement will be deemed terminated. In the event the obligation is not fulfilled by the Customer within the second time period, this Agreement shall thereupon terminate. Such termination shall be without waiver of any amounts which may be due or of any rights including the right to damages for such breach.

A-14. Waiver

Any failure by either Ontario Hydro or the Customer to exercise any right or enforce any remedy under this Agreement shall be limited to the particular instance, and shall not be deemed to waive any other right or remedy or affect the validity of this Agreement. The exercise by either party of any remedy hereunder shall not be deemed to waive any other remedy that such party may have, and such remedies may be exercised concurrently or separately.

A-15. Successors and Assigns

This Agreement shall extend to, be binding upon and enure to the benefit of Ontario Hydro and of the Customer and their respective successors and assigns, provided that the Customer shall not be entitled to assign its interest in this Agreement or any portion thereof without the prior written consent of Ontario Hydro, which consent will not be unreasonably withheld. For greater certainty, the parties agree that none of the rights or obligations contained in this agreement are, nor shall any of them be deemed to be, personal to either party, and all such rights and obligations are, subject to the foregoing restrictions, intended to be fully assignable.



SCHEDULE B - Forming part of the Agreement dated August 27, 1997, between ONTARIO HYDRO and COSMA INTERNATIONAL INC., ("the Customer").

B-1. Availability of Power

<u>Class</u>	<u>Contract Demand</u>
Peak Period	
Firm Power	38,000 Kilowatts
Off-Peak Period	
Firm Power	38,000 Kilowatts

Note: During construction, commissioning and initial production in 1997, 1998 and 1999, the Contract Demand will "ramp-up" from 3MW to 38MW.

B-2. Definitions

- (a) "Billing Demand" means the maximum average demand in kilowatts delivered to and taken by the Customer during any 60 consecutive minutes in the Peak Period in the month subject to correction for power factor as hereinafter provided, namely, that if in the Peak Period in the month 90% of the maximum average kilovolt-ampere demand delivered to and taken from the Customer during any 60 consecutive minutes exceeds the maximum average demand in kilowatts delivered to and taken by the Customer during any 60 consecutive minutes then 90% of the said kilovolt-amperes demand expressed in kilowatts shall, for billing purposes under this Agreement, be deemed to be the Billing Demand for the Month. The rates for power shall be applied as if the Billing Demand has been taken for the whole month. Further, if in any month an Uncontrollable Event prevails for at least 24 consecutive hours and the Customer gives written notice to Ontario Hydro within 5 days after the end of the month the Billing Demand will be reduced by an amount equal to the product of the Billing

Demand for the month less the maximum kilowatt demand established in the Peak Period during the Uncontrollable Event times the number of Peak Period hours during which the Uncontrollable Event prevails divided by the total number of Peak Period hours in that month. The maximum kilowatt demand established in the Peak Period of that month during the Uncontrollable Event shall be determined in the same manner as the Billing Demand for the month.

- (b) "Contract Demand" means for each of the Peak Period and the Off-Peak Period, the amount of power shown for each Class in B-1.
- (c) "Contract Excess Demand" means the greater of the amount in kilowatts that the Billing Demand for the month exceeds the Contract Demand in the Peak Period, or the amount in kilowatts that the Maximum Kilowatt Demand in the Off-Peak Period exceeds the Contract Demand in the Off-Peak Period.
- Payment for Contract Excess Demand shall be due for each instance during the month that the Contract Excess Demand is greater than zero and further, payment for Contract Excess Demand shall not entitle the Customer to take Contract Excess Demand in any month.
- (d) "Day" means each period from twelve o'clock midnight to twelve o'clock midnight next following, Local Time; and a "month" means a calendar month and a "year" means a calendar year.
- (e) "Maximum Kilowatt Demand in the Off-Peak Period" means the amount in kilowatts determined in the same manner as the Billing Demand for the month having regard to the demands established in the Off-Peak Period.



(f) **"Off-Peak Period"** means all times except the Peak Period.

(g) **"Peak Period"** means the times between 7:00 a.m. to 11:00 p.m. Local Time, Monday to Friday inclusive, except Public Holidays, and further, for the purposes of determining demand charges during the Months of June, July and August, "Peak Period" means the times between 7:00 a.m. to 7:00 p.m. Local Time, Monday to Friday inclusive, except Public Holidays.

(h) **"Power"** means electrical power and includes energy. Firm Power means power made available commercially continuous every day in the year, except as otherwise provided in this agreement.

(i) **"Public Holidays"** means the days designated by Ontario Hydro from time to time. Until otherwise designated, the Public Holidays are:

New Year's Day Good Friday
 Victoria Day Canada (Dominion) Day
 Labour Day Thanksgiving Day
 Christmas Day Boxing Day
 Civic Holiday (as celebrated in Metropolitan Toronto)

(j) **"Summer Season"** means the months April to September inclusive.

(k) **"Uncontrollable Event"** means an event reasonably beyond the control of the party whose inability is involved including but without limitation to strike of that party's employees, damage or destruction by the elements, fire, explosion, war, the Queen's enemies, legal acts of the public authorities, insurrection, Act of God, or inability to obtain or transport essential services, materials, products or equipment because of the effect of similar causes on that party's suppliers or carriers, accident to the electrical generation or delivery system including the Customer's substation to which power is delivered under

this Agreement but excluding any accident to any other works.

(l) **"Winter Season"** means the months October to March inclusive.

B-3. Monthly Payment

Subject to the monthly minimum payment, as hereinafter provided, the monthly payment for power for any month shall be the total of the Monthly Demand Charge and the Monthly Energy Charge determined according to the schedule set out below.

B-4. Rates

(a) Monthly Demand Charge

(i) Summer Season -- \$ 9.88 per kilowatt for the Billing Demand up to the amount of the Contract Demand plus \$ 12.35 per kilowatt for the Contract Excess Demand.

(ii) Winter Season -- \$ 13.81 per kilowatt for the Billing Demand up to the amount of the Contract Demand plus \$ 17.26 per Kilowatt for the Contract Excess Demand.

(b) Monthly Energy Charge

(i) Summer Season -- 4.02 cents per kilowatt-hour for all energy taken in the Peak Period and 2.35 cents per kilowatt-hour for all energy taken in the Off-Peak Period.

(ii) Winter Season -- 4.63 cents per kilowatt-hour for all energy taken in the Peak Period plus 3.42 cents per kilowatt-hour for all energy taken in the Off-Peak Period.

B-5. Monthly Minimum Payment

The monthly minimum payment required to be made by the Customer for power under this Agreement shall be the total of a Monthly Energy Charge at the energy rate set out in Paragraph 4(b) above, for all energy taken in the applicable month, plus a Minimum Demand Charge equal to the product of the rate of \$13.81 per kilowatt and 20% of the Contract Demand, or in the event of Contract Demands that vary during the peak and off peak periods, the Minimum Demand Charge would equal the product of the sum of 15% of the On-Peak Contract Demand and 5% of the Off-Peak Contract Demand and the rate displayed above.

Whenever the rates for power are changed, then Section 5 shall be applied as if the new rates were substituted for the rates changed.

A handwritten signature in black ink, appearing to be 'AL' or similar, located to the right of the text block.

This is Exhibit "F" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.



A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

THIS POWER FACILITIES AGREEMENT made as of the 15th day of October, 1997

B E T W E E N:

COSMA INTERNATIONAL INC.
("Cosma")

OF THE FIRST PART

- and -

ONTARIO HYDRO
("OH")

OF THE SECOND PART

WHEREAS:

- (a) Cosma has advised OH that it:
 - (i) will be constructing, owning and operating an automotive parts manufacturing plant ("the Plant") to be located at 1 Cosma Court, St. Thomas, Ontario ("the Property") and for the purposes of this Agreement, the Property shall be deemed to include lands to be purchased from St. Thomas Economic Development Corporation in the east half of Lot 10, Concession 9; and
 - (ii) would like to have the Plant's power requirements served by OH and not the local municipal utility;
- (b) In order to meet the power requirements of the Plant as projected by Cosma, it is necessary to construct two 27.6 kV feeders from the existing OH Edgeware Transformer Station to the Plant ("the Feeders");
- (c) In order to obtain the consent of the local municipal utility to provide power to the Plant, OH has had to undertake certain obligations to the said local municipal utility for a term ending no earlier than December 31, 2007;
- (d) Based on Cosma's projections of load and the terms of this Agreement, OH is agreeing by these presents to build certain facilities to serve Cosma in exchange for the commitment of Cosma to purchase all of the Plant's power requirements (the "Power") from OH at firm power time of use rates, which



commitment is set out in a power contract (the "Power Contract"), which shall be mutually agreed and is intended to be executed by the parties contemporaneously herewith;

(e) the parties are also entering into an Operating and Maintenance Agreement with regard to power equipment and facilities serving the Plant (the "O&M Agreement"), which shall be mutually agreed and is intended to be executed by the parties as soon as practical following the execution of this Agreement; and

(f) the parties have entered into this Agreement to document all their respective obligations with regard to the construction of new facilities and some of their obligations with regard to the operation and maintenance of same (the balance of such obligations being contained in the O&M Agreement).

NOW THEREFORE IN CONSIDERATION of the mutual covenants herein and subject to the provisions of the *Power Corporation Act*, R.S.O. 1990, c.P.18, as amended, and the Regulations thereto, and subject to the approval of the Lieutenant Governor in Council, the parties hereto mutually agree as follows:

1.0 CONSTRUCTION OF FACILITIES

1.1 Cosma shall cause the Plant to be constructed and substantially completed on the Property and commence Plant operations on or before December 1, 1997.

1.2 Cosma shall install and operate in the Plant, manufacturing equipment ("the Equipment") having a nameplate capacity of 43 MVA. The demand from the Equipment will increase from 75% capacity beginning May 1998 to 100% capacity in January 2000 and will be sustained over the ten (10) year term of the Power Contract. On the basis of the foregoing information, this 43 MVA of connected load, allowing for a coincident factor of .75, will result in a loading on the Feeders of approximately 33 MVA.

1.3 OH shall cause to be constructed:

(a) the Feeders (In this Agreement the portions of the Feeders located on the Property are sometimes referred to herein, as the "Formet Feeders"), and

- (b) a 27.6 kV switching facility on the Property at a location satisfactory to OH provided by Cosma ("the Switching Facility").

1.4 The Formet Electrical Facilities (defined in Paragraph 4.1) shall be and remain at the risk of Cosma from and after the effective date of this Agreement. Cosma shall take out and maintain public liability and fire and extended perils insurance in relation to the Formet Electrical Facilities and those parts of the Property subject to the Easements (described in Clause 4.0 below), naming OH as an additional insured with such limits and on such terms as OH may require, acting reasonably. Such policies of insurance shall be in a form and with insurers satisfactory to OH and shall contain provisions preventing cancellation except on thirty (30) days advance notice to OH and containing a waiver of subrogation of claims against OH. Evidence of such insurance shall be provided to OH by Cosma from time to time on request.

1.5 Cosma shall design, acquire, install and maintain in the Plant sufficient 27.6/0.6 kV fixed transformers with a nameplate capacity of 43 MVA. Prior to installation and use of the said transformers, a number ("the Transformers") of the transformers (being the number the aggregate of whose unit prices most closely totals but does not exceed Seven Hundred and Fifty Thousand (\$750,000.00) Dollars) shall be identified (by serial number) by Cosma and ownership thereof transferred free from encumbrances to OH for an amount equal to their aggregate unit price.

1.6 The Transformers, the Switching Facility and the Formet Feeders shall bear clear and permanent labels indicating that they are the property of OH. The parties agree that the Switching Facility, Transformers and Formet Feeders shall be and remain the property of OH until transferred pursuant to Paragraph 5.1 below, notwithstanding the annexation or degree of annexation of any of them to the Property.

1.7 A Power System and Energy Monitoring Package will be provided by OH to Cosma for incorporation, at Cosma's risk, into the Plant and Cosma covenants to so incorporate the said Power System and Energy Monitoring Package.



2.0 OPERATION AND MAINTENANCE

2.1 OH will operate and maintain the Formet Feeders and Switching Facility during the term of this Agreement, at the expense of Cosma, (provided that expenditures for scheduled annual maintenance in excess of Five Thousand (\$5,000.00) Dollars annually shall require the prior approval of Cosma), in accordance with the terms of the O&M Agreement mutually agreed by the parties.

2.2 OH will invoice Cosma for the aforementioned charges as they are incurred and payment will be due on a thirty (30) day net basis. Notwithstanding anything to the contrary in this Agreement the Purchaser shall not be required to remit funds to the Vendor hereunder any more often than the 15th and 30th days of the month.

2.3 Cosma will operate and maintain all transformers referred to in paragraph 2.5 (including the Transformers) above and the Power System & Energy Monitoring Package at their own expense.

2.4 The parties contemplate entering into the O&M Agreement prior to commencement of supply of Power to the Customer's plant, governing the operation, day-day control and maintenance of the Formet Feeders and Switching Facility. In the event of a perceived conflict between the terms of this Power Facilities Agreement and the O&M Agreement, the terms of this Agreement shall prevail.

2.5 Cosma will arrange and control operation of the transformers so that under normal operating conditions the Plant's electrical load is supplied equally by each of the Feeders, unless otherwise agreed to by both parties, after reviewing, among other things, the Plant's power disturbance history.

3.0 REPAYMENT AND EARLY TERMINATION

3.1 Cosma acknowledges that OH has agreed to pay for the purpose and installation of the Formet Electrical Facilities relying on Cosma's reasonably anticipated requirements to purchase certain minimum amounts of power at certain minimum rates for at least ten (10) years. The present value of the portion of the investment which Cosma shall repay to OH over the ten (10) year term of the Power Contract is Two Million (\$2,000,000.00) Dollars, which will be substantiated by Ontario Hydro at the



request of the Customer (including reasonable supporting documentation), which obligation shall be forgiven at the rate of One Hundred and Twenty-Five Thousand (\$125,000.00) Dollars per full year elapsed of the unamended Power Contract. Payment of the purchase price pursuant to Article 5.0 shall be deemed to be payment of the portion of the investment described herein which is not forgiven after ten (10) years.

3.2 Subject to Section 5.1 below, in the event that Cosma is released for any reason (other than the default of OH) including without limitation by operation of law, legislative act or the election of Cosma, from its obligation under the Power Contract either to purchase all of the Plant's power requirements from OH, to purchase power at firm, time of use rates, or to purchase power for ten (10) years, then at the option of OH, Cosma shall pay to OH on no less than sixty (60) days advance notice, an amount equal to the unforgiven balance of the amount referred to in Paragraph 3.1 as of the effective date of such notice and this Agreement shall terminate on the said effective date.

3.3 Upon Ontario Hydro's exercise of its option set out in Section 3.2 hereof and Cosma's making the resulting payment set out in Section 3.2 hereof, Cosma shall have no liabilities to Ontario Hydro pursuant to this Agreement except those obligations which arose prior to the date upon which Cosma makes the said payment.

4.0 ACCESS

4.1 In addition to and notwithstanding the terms of the Power Contract, Cosma shall provide to OH unencumbered, on the execution of this Agreement, for the purposes of access to and across the Property with persons, vehicles and equipment for the constructing, operating, maintaining, reconstructing, repairing, replacing, installing and removing the Formet Feeders, the Switching Facility and the Transformers (collectively referred to as the "Formet Electrical Facilities"):

- (a) valid easements in perpetuity over, across, under and through those parts of the Property, the limits of which are defined as follows:
 - (i) a contiguous parcel of land centred on the Switching Facility and shown as Part 1 on the sketch attached as Schedule A, concerning which OH is to receive exclusive possession; and



- (ii) a strip of land approximately 20 m in width centred on the centre point between the Formet Feeders shown as Parts 2 and 3 on the attached Schedule A; and
- (b) an easement in perpetuity across the Property for persons, equipment and vehicles from Cosma Court for the purpose of unimpeded access to the Formet Electrical Facilities.

The easements referred to in this paragraph 4.1 are hereinafter referred to collectively as "the Easements". The terms of the easements referred to in paragraph 4.1(a)(i), 4.1(a)(ii), and 4.1(b) respectively are attached hereto as Schedules B, C, and D.

4.2 Upon successful completion of the sale of the Formet Electrical Facilities to Cosma contemplated in Clause 5.0 below, OH will release the Easements to the then owner of the subject lands, provided that this Agreement, the Power Contract and the O&M Agreement or any successor agreements thereto are then in good standing or have expired at the end of their term and there are no claims outstanding in relation thereto.

5.0 RETRANSFER OF FORMET ELECTRICAL FACILITIES

5.1 On the earlier of December 31, 2007, and termination pursuant to Article 3.2 hereof, OH shall sell and Cosma shall purchase the Formet Electrical Facilities free and clear of encumbrances for a purchase price of Seven Hundred and Fifty Thousand (\$750,000.00) Dollars, subject to adjustment for any amounts that may be properly due and owing by either party hereto to the other under this Agreement, the O&M Agreement and the Power Contract, and any successor agreements thereto.

6.0 ASSIGNMENT

6.1 Neither this Power Facility Agreement nor any of the rights nor obligations hereunder may be assigned by Cosma except:

- (a) to an entity who will on the effective date of assignment be the owner of both the Property and the Plant;



- (b) in conjunction with an assignment to the same assignee of the obligations of Cosma under the Power Contract; and
- (c) with the consent of OH, to an "affiliate" as affiliate is defined in s.1(1) of the *Business Corporations Act* (Ontario).

7.0 APPROVALS, ORDER-IN-COUNCIL

7.1 This Agreement and the rights and obligations of the parties hereunder are conditional upon the obtaining by OH of all governmental approvals of this Agreement and the Power Contract.

8.0 METHOD OF DISPUTE RESOLUTION

8.1 In the event that claims, disputes or other matters in question arise under this Agreement, or a breach of the Agreement has been allegedly committed by one of the parties, then the parties hereby agree that they shall undertake their best efforts to resolve such disputes through discussion and negotiation so that a commercial working relationship between the parties in furtherance of their mutual obligations can be preserved.

9.0 MISCELLANEOUS

9.1 Each of the parties hereto agrees that, except as may already be in the public domain through no act or failure to act on the part of the disclosing party, or except as may be required pursuant to judicial, administrative or regulatory process or in connection with any inquiry, investigation, action, suit, proceeding or claim (provided that if possible, and if such disclosure is required, the disclosing party will first give notice to the other party to enable the other party at its own expense to seek a protective order or other appropriate remedy), they shall not, without the prior written consent of the other party hereto, disclose the terms of this Agreement. The obligations contained in this paragraph 9.1 shall survive the termination of this Agreement for a period of one (1) year.



9.2 OH acknowledges and agrees that Cosma's requirements for Power may be subject to fluctuation depending upon its production capabilities, its customer's production demands, from time to time, and other market conditions affecting the automotive market generally.

9.3 Any notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given if delivered to the party to whom addressed, or cabled, telegraphed or telecopied to such party or given by any other electronic means, to such party addressed:

(a) in the case of Cosma:

Cosma International Inc.
50 Casmir Court
Concord, Ontario
L4K 4J5

Attention: Legal Department

Telephone No. (905) 669-9000
Telecopier No. (905) 669-6165

(b) in the case of OH:

Ontario Hydro
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: Secretary

Telephone No. (416) 592-2755
Telecopier No. (416) 592-1480

or at such address as the party to whom such communication is addressed shall have last notified to the party given the same in the manner provided in this section; any communication delivered shall be deemed to have been given when so delivered and any notice which is given by telecopier or other electronic means shall be deemed to have been given when sent.

9.4 This Agreement shall be interpreted and construed and the legal relations created herein shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable thereon.

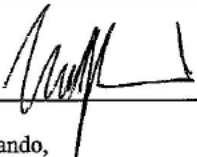



9.5 This Agreement shall be binding upon the parties hereto and their respective successors, assigns and other legal representatives and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns and other legal representatives.

9.6 The parties hereby warrant and represent that the persons signing below have the authority to execute this Agreement on behalf of their respective companies and to bind them in accordance with the terms and conditions set out above.



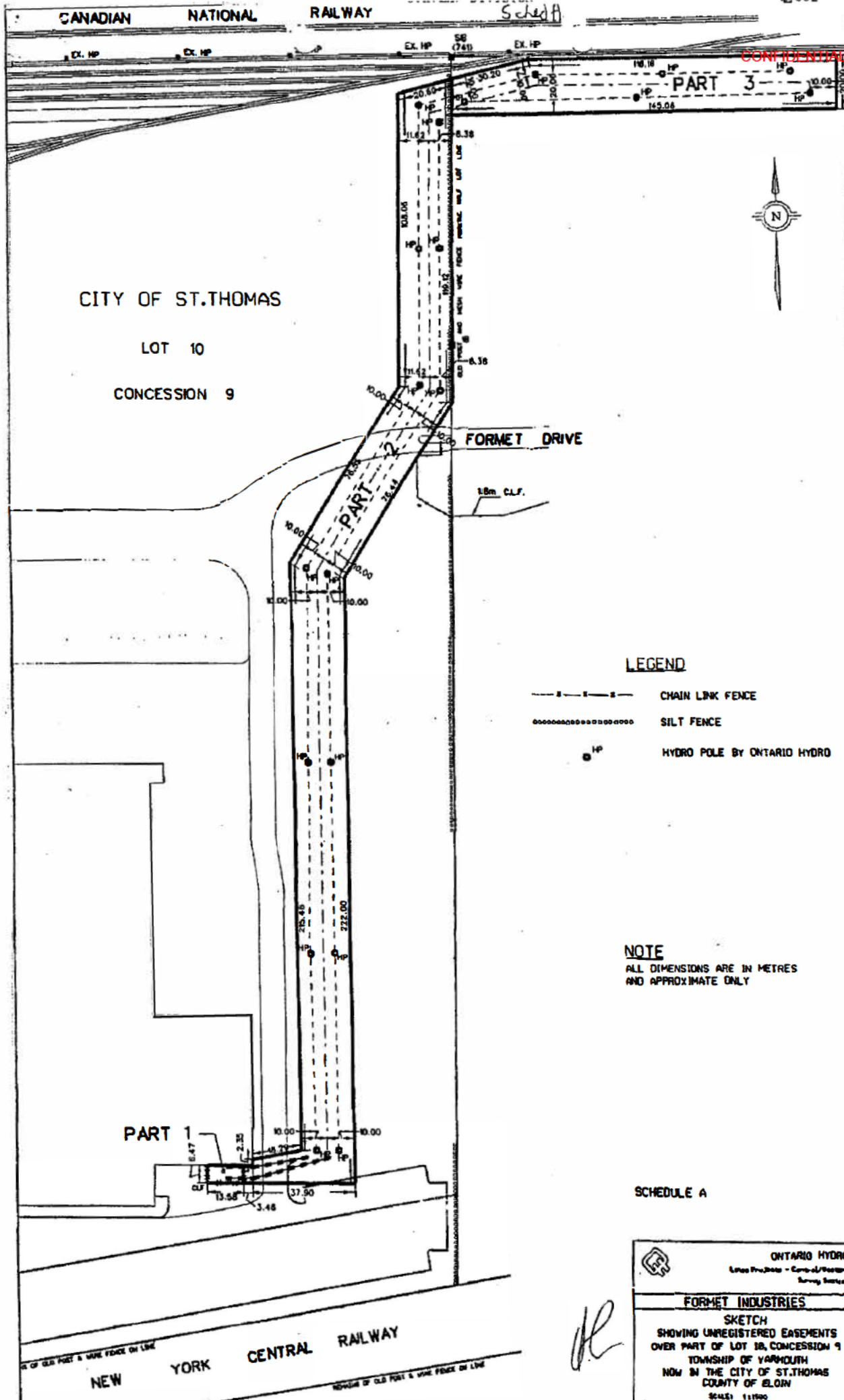
COSMA INTERNATIONAL INC.

By:  Jun-14-98
Nick Orlando,
Vice-President, Special Projects

By:  Jan-1-1998
Horst Prelog,
Director of Operations - Chassis Group

ONTARIO HYDRO

By:  Jan 20-98
Director - Marketing & Customer Service, GRID



THIS TRANSFER AND GRANT OF EASEMENT dated the day of
October, 1997

BETWEEN:

COSMA INTERNATIONAL INC.

herein called the "TRANSFEROR"

- and -

ONTARIO HYDRO

herein called the "TRANSFeree"

WHEREAS:

- A. The Transferor is the legal and beneficial owner in fee simple and in possession of Part of Lot 10, Concession 9, in the Township of Yarmouth, known municipally as 1 Cosma Court, St. Thomas, Ontario (the "Lands"); including the lands shown as Parts 1 - 3 on the attached Schedule "A".
- B. The Transferee has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) hereof) in, through, under, over, across, along and upon the Lands.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of Two (\$2.00) Dollars, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Transferor hereby covenants and agrees as follows:

1. Transferor hereby grants in perpetuity to the Transferee, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, covenants, agreements and privileges in perpetuity (the "Rights") in, through, under, over, across, along and upon that portion of the Lands of the Transferor shown as Part 1 on the sketch attached as Schedule "A" (the "Area") for the following purposes:

- (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Area a switching facility and all such aboveground or underground lines, wires, cables, telecommunication cables, grounding electrodes, conductors, apparatus, works accessories, associated material and equipment, and appurtenances pertaining to or required by such system (all or any of which are herein individually or collectively called the "Works");
- (b) To conduct all engineering, legal surveys, and make soil tests, and soil compaction tests in, under, on and over the Area as the Transferee in its discretion considers requisite;



- (c) To clear the Area and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the "Obstruction") whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, acting reasonably, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any persons or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee; and
- (d) To enter on and exit by the Transferor's access routes [upon reasonable prior notice, except in case of emergency where no notice shall be required] and to pass and repass at all times, in, over, along, upon and across the Area and so much of the Lands as is reasonably required, for Transferee, its employees, agents, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement.

2. The Transferor agrees that:

- (a) It will not interfere with any Works established on or in the Area and shall not, without the Transferee's consent in writing, not to be unreasonably withheld, erect or cause to be erected or permit in, under or upon the Area any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferee shall be entitled to exclusive possession of the Area. The Transferor agrees it shall not, without the Transferee's consent in writing, change or permit the existing configuration, grade or elevation of the Area to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Area shall be done or made unless consent therefore in writing, not to be unreasonably withheld, has been obtained from Transferee;
- (b) Notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Area and shall at anytime and from time to time be removable in whole or in part by Transferee;
- (c) No other easement or permission will be transferred or granted and no encumbrances in priority to this easement will be created over or in respect of the Area;
- (d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite;
- (e) The Rights hereby granted:
 - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Area; and
 - (ii) is declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a).

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

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

IN WITNESS WHEREOF the Transferor and Transferee have hereunto set their respective hands and seals to this Transfer and Grant of Easement as of year and date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

COSMA INTERNATIONAL INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

SIGNED, SEALED AND DELIVERED
in the presence of

ONTARIO HYDRO

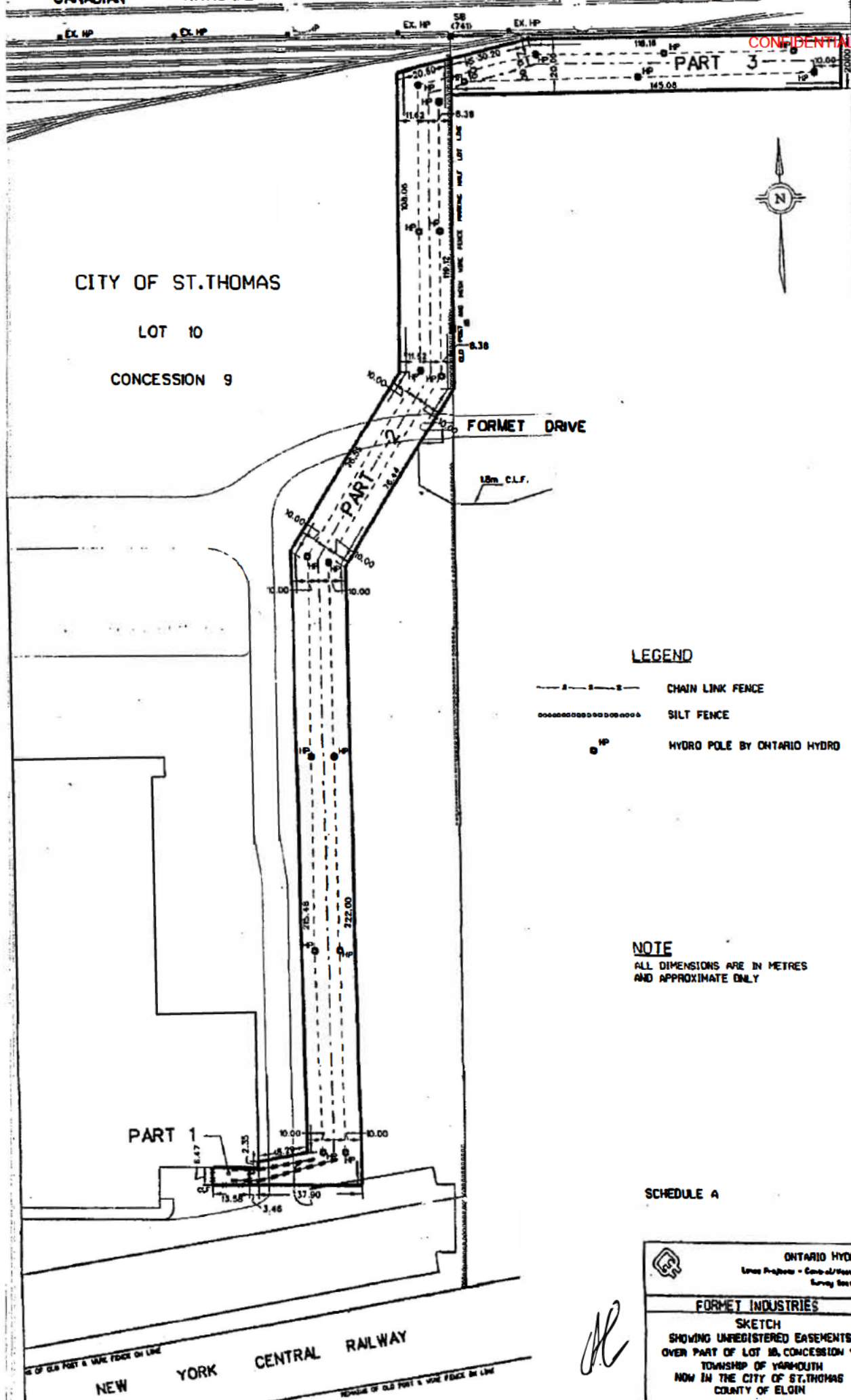
Per: _____

Name:

Title:

I have authority to bind the Corporation.





THIS TRANSFER AND GRANT OF EASEMENT dated the day of
October, 1997

BETWEEN:

herein called the "TRANSFEROR"

- and -

ONTARIO HYDRO

herein called the "TRANSFeree"

WHEREAS:

- A. The Transferor is the legal and beneficial owner in fee simple and in possession of Part of Lot 10, Concession 9, in the Township of Yarmouth, known municipally as (the "Lands"); including the lands shown as Parts on the attached Schedule "A".
- B. The Transferee has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) hereof) in, through, under, over, across, along and upon the Lands.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of Two (\$2.00) Dollars, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Transferor hereby covenants and agrees as follows:

1. Transferor hereby grants in perpetuity to the Transferee, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, covenants, agreements and privileges in perpetuity (the "Rights") in, through, under, over, across, along and upon that portion of the Lands of the Transferor shown as Parts on the sketch attached as Schedule "A" (the "Strip") for the following purposes:

- (a) To erect, maintain, repair, replace, relocate, reconstruct and remove and operate an electrical and/or communications above ground and underground transmission line (herein called the "line") including all necessary or convenient, poles, guys, anchors, wires, cross-arms, apparatus, accessories and appurtenances belonging thereto, in, over, along and upon the strip;
- (b) To cut selectively trees and shrubs on the strip and clear and to keep it clear of all trees, shrubs and brush which may interfere with the safe operation and maintenance of the line;
- (c) To clear the strip and keep it clear of all buildings, structures or other obstructions of any nature whatever whether above or below ground including removal of any materials which in the opinion of Ontario Hydro are hazardous to the line. Notwithstanding the foregoing, in all cases where in the sole discretion of Ontario Hydro acting reasonably the safe operation and



IN WITNESS WHEREOF the Transferor and Transferee have hereunto set their respective hands and seals to this Transfer and Grant of Easement as of year and date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

COSMA INTERNATIONAL INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

SIGNED, SEALED AND DELIVERED
in the presence of

ONTARIO HYDRO

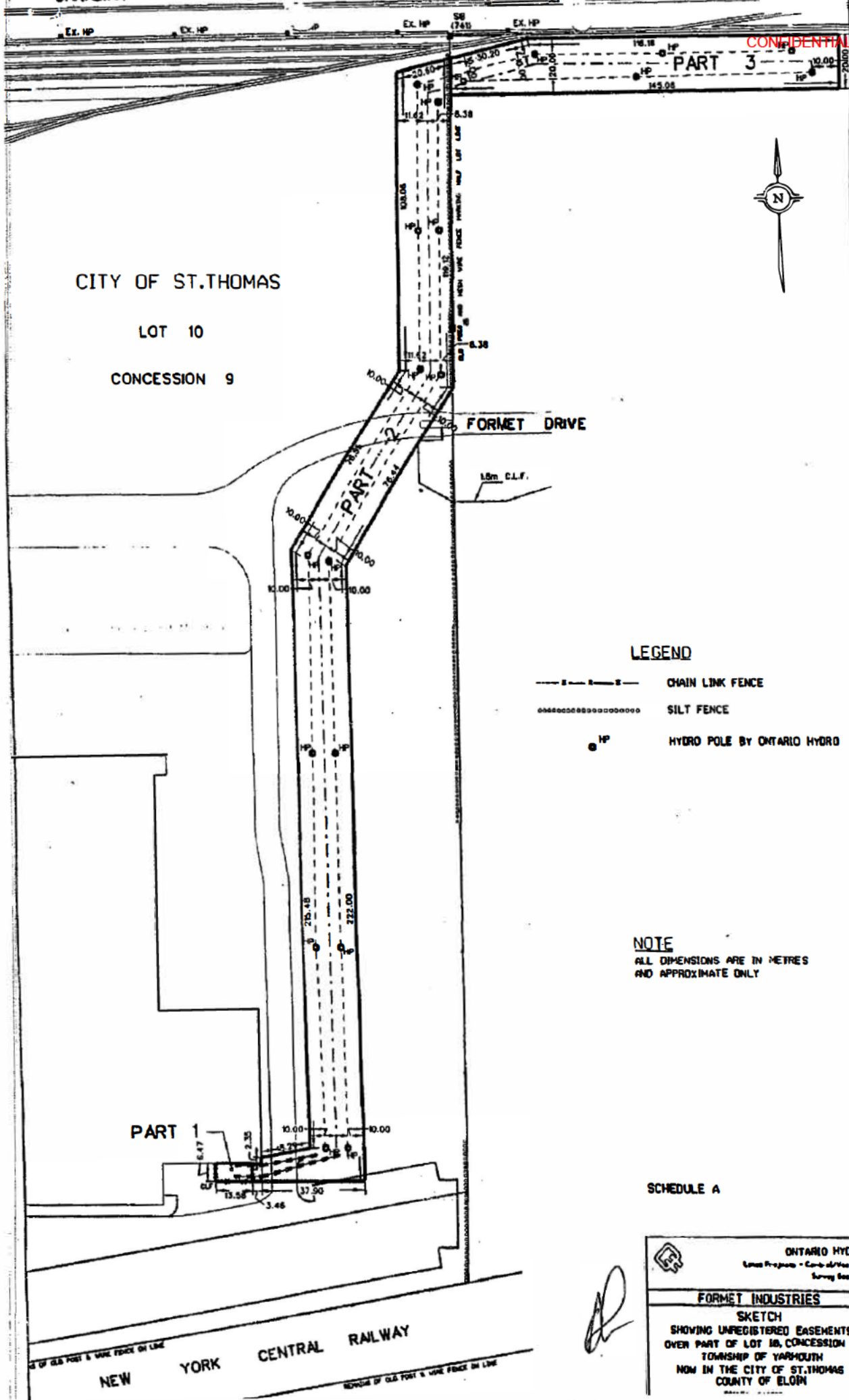
Per: _____

Name:

Title:

I have authority to bind the Corporation.

A handwritten signature in black ink, appearing to be the initials 'AR' or similar, located at the bottom right of the page.



Schedule "D"

THIS INDENTURE made in duplicate the day of October, 1997

BETWEEN:

COSMA INTERNATIONAL INC.

hereinafter called the **GRANTOR**
OF THE FIRST PART

- and -

ONTARIO HYDRO

WHEREAS the Grantor is the owner in fee simple and in possession of Part of Lot 10, Concession 9, in the Township of Yarmouth, in the City of St. Thomas, County of Elgin, known municipally as 1 Cosma Court, St. Thomas, Ontario which land is referred to herein as the "Grantor's land";


WHEREAS Ontario Hydro desires the right to enter on the Grantor's land in order to obtain access to its electrical transmission lines, switching facility, transformers, and other works in the area, collectively referred to as the "Works";

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of Two (\$2.00) Dollars and other good and valuable consideration, the Grantor hereby grants, conveys and transfers to Ontario Hydro in, over, along and upon the Grantor's land the rights, privileges, and easement as follows:

(a) For the servants, agents, contractors and workmen of Ontario Hydro at all times upon reasonable prior notice, except in case of emergency where no notice shall be required, with all necessary vehicles and equipment to pass and repass over the Grantor's land using the Grantor's established access routes where feasible, for the purpose of access to its works.

THE burden and benefit of this Indenture shall run with the Grantor's land and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

SIGNED, SEALED AND DELIVERED
in the presence of


ARTHUR LEE

COSMA INTERNATIONAL INC.

Per: 

Name: Nick Orlando

Title: Vice-President, Special Projects

I have authority to bind the Corporation



This is Exhibit "G" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.



A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

Hydro One Networks
125 Irwin Avenue
Essex, Ontario N8M 2T3



Customer Contracts & Business Relations
Tel: (519) 977-4265 Fax: (519) 987-3600
E-mail: joe.taylor@hydroone.com

March 20th, 2003

MAGNA – Cosma International
50 Casmir Court
Concord, Ontario L4K 4J5

Attention: Gary Rogers
Executive Director, Purchasing

Subject: Power Facilities Agreement

Dear Gary

In a recent communication, I indicated that the Power Facilities Agreement, for the Formet Industries facility in St. Thomas, Ontario, was transferred from Ontario Hydro, on April 1, 1999, by transfer order made by the Government of Ontario, to Ontario Hydro Networks Company Inc., which changed its name on May 1, 2000, to Hydro One Networks Inc.

Subsequently, you requested additional information to substantiate the above statement. I am therefore including two (2) copies of the Order in Council and Transfer Order to Ontario Hydro Networks.

As always, if you have any questions about this or any other matter, please do not hesitate to give me a call.

Thanks

A handwritten signature in black ink, appearing to read "Joe Taylor". The signature is fluid and cursive, with a large initial 'J'.

Joe Taylor
Sr. Account Executive



Order in Council
Décret

CONFIDENTIAL

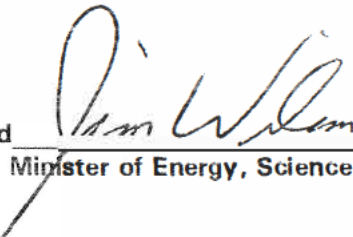
On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation du soussigné, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil des ministres, décrète ce qui suit :

Pursuant to section 116 of the *Electricity Act, 1998*, S.O. 1998, c.15, Schedule A, the Transfer Orders attached hereto transferring certain officers, employees, assets, liabilities, rights and obligations to the transferees set out below are made.

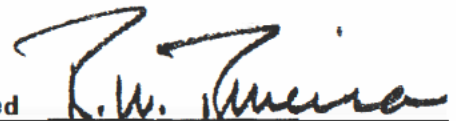
Ontario Hydro Services Company Inc.
Ontario Hydro Networks Company Inc.
Ontario Hydro Energy Company Inc.
Ontario Hydro Remote Communities Service Company Inc.
Ontario Hydro International Inc.
Ontario Power Generation Inc.
OPG-Darlington Inc.
OPG-Darlington Waste Inc.
OPG-Pickering Inc.
OPG-Pickering Waste Inc.
OPG-Bruce A Inc.
OPG-Bruce B Inc.
OPG-Bruce Waste Inc.
OPG-Bruce Common Facilities Inc.
OPG-Atikokan Inc.
OPG-Thunder Bay Inc.
OPG-Lambton Inc.
OPG-Nanticoke Inc.

Recommended



Minister of Energy, Science & Technology

Concurred

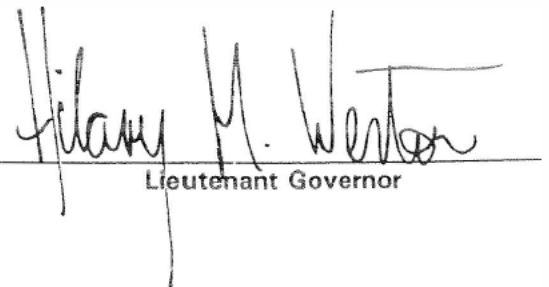


Chair of Cabinet

Approved & Ordered

MAR 31 1999

Date



Lieutenant Governor

OPG-Lakeview Inc.
OPG-Lennox Inc.
OPG-Northwest Plant Group Inc.
OPG-Mississagi River Inc.
OPG-Mattagami River System Inc.
OPG-Abitibi River Inc
OPG-Montreal River Inc.
OPG-St. Lawrence River Inc.
OPG-Ottawa River Inc
OPG-Madawaska River Inc.
OPG-Niagara Plant Group Inc.
OPG-Small Hydro Inc.
OPG-700 University Inc.
Ontario Energy Board
Independent Electricity Market Operator
Electrical Safety Authority
Ontario Electricity Pension Services Corporation

ELECTRICITY ACT, 1998
**TRANSFER ORDER – TRANSFER OF CERTAIN OF THE OFFICERS, EMPLOYEES,
ASSETS, LIABILITIES, RIGHTS AND OBLIGATIONS OF ONTARIO HYDRO TO
ONTARIO HYDRO NETWORKS COMPANY INC.**

1. Preliminary

- 1.1 The Lieutenant Governor in Council, by Ontario Regulation 648/98 made under the *Electricity Act, 1998*, has designated Ontario Hydro Services Company Inc. ("Services Corporation") as the Ontario Electrical Services Corporation for the purposes of the *Electricity Act, 1998* (the "Act").
- 1.2 Ontario Hydro Networks Company Inc. is a corporation incorporated under the Business Corporations Act, all of the issued and outstanding share capital of which is, as at the Transfer Date, owned legally and beneficially by Services Corporation.
- 1.3 The Lieutenant Governor in Council in the exercise of the powers conferred by the Act hereby makes this Transfer Order by which certain of the assets, liabilities, rights and obligations of Ontario Hydro are transferred in the manner specified in this Transfer Order to Ontario Hydro Networks Company Inc. (the "Transferee").
- 1.4 This Transfer Order is made under Part X of the Act.
- 1.5 This Transfer Order takes effect on April 1, 1999.
- 1.6 The following Exhibits are incorporated herein by reference and such Exhibits and any Schedules to such Exhibits form an integral part of this Transfer Order:

Exhibit A1	-	Assets – Real Property
Exhibit A2	-	Assets – Major Personal Property
Exhibit A3	-	Assets – Minor Personal Property
Exhibit A4	-	Assets – Licences and Permits
Exhibit A5	-	Other Assets
Exhibit B	-	Contracts
Exhibit C	-	Litigation
Exhibit D	-	Liabilities
Exhibit E	-	Books and Records
Exhibit F	-	Financial Corporation Retained Assets and Liabilities
Exhibit G	-	Required Agreements
Exhibit H	-	List of Transfer Orders
Exhibit I	-	Conflict Resolution Procedure

2. Definitions

2.1 In this Transfer Order (including any Exhibits to this Transfer Order and any Schedules to any Exhibit to this Transfer Order) terms which are used herein and are defined in the Act, or in any regulations made pursuant to the Act on or before the Transfer Date, shall have the same meaning given to such terms in the Act and in such regulations and, in addition:

"Business" means the activities carried on by Ontario Hydro as at the Transfer Date relating to ownership, construction, development, operation and maintenance of electricity transmission and distribution systems and facilities (including communication systems and facilities but not including any electricity transmission or distribution systems or related facilities that are located in a Remote Community) wherever situated and all such other activities as are incidental or ancillary thereto.

"Excluded Officers, Employees, Assets, Liabilities, Rights and Obligations" means the following officers, employees, assets, liabilities, rights and obligations of Ontario Hydro:

- (a) all officers, employees, assets, liabilities, rights and obligations of Ontario Hydro transferred or to be transferred from Ontario Hydro or its successors by the Transfers regardless of the time of effect of any Transfer or this Transfer Order and regardless of the order of effect of any Transfer relative to any other Transfer or to this Transfer Order; and
- (b) the Financial Corporation Retained Assets and Liabilities.

"Financial Corporation Retained Assets and Liabilities" means all right, title and interest of Ontario Hydro as at the Transfer Date in and to those assets, liabilities, rights and obligations of Ontario Hydro specified in Exhibit F to this Transfer Order.

"including" means "including without limitation", and **"includes"** means "includes without limitation".

"Related to the Business" means directly or indirectly used in or in conjunction with, arising from, acquired or incurred in the conduct, performance or carrying on of, or otherwise supporting or relating in any manner to, the Business.

"Remote Community" has the meaning ascribed to such term in Ontario Regulation 647/98 made under the *Ontario Energy Board Act, 1998*.

"Reserve" has the meaning ascribed to that term in the *Indian Act* (Canada).

"successors" when used in this Transfer Order in reference to Ontario Hydro means, for the purposes of this Transfer Order, any successor corporation to Ontario Hydro by operation of law.

"Transfers" means those transfer orders described in Exhibit H to this Transfer Order (other than this Transfer Order which is included in such Exhibit for convenience of reference only and does not form part of such Exhibit) and **"Transfer"** means any one of such Transfers.

"Transfer Date" means April 1, 1999 in respect of the transfer of all assets, rights, liabilities and obligations of Ontario Hydro transferred by this Transfer Order.

3. Transfer of Assets, Liabilities, Rights and Obligations of Ontario Hydro to the Transferee

3.1 Subject to the provisions of section 3.2 of this Transfer Order and Exhibit A2 to the Transfer to Ontario Hydro Services Company Inc. and Exhibit A4 to the Transfer to Ontario Power Generation Inc., this Transfer Order hereby transfers to and vests in the Transferee on the Transfer Date all rights, title, interest and obligations of Ontario Hydro in, to and in respect of all assets, rights, liabilities and obligations of Ontario Hydro as at the Transfer Date that are Related to the Business; including all such rights, title, interest and obligations of Ontario Hydro in, to and in respect of the following:

- (i) those assets of Ontario Hydro described in Exhibits A1, A2, A3, A4 and A5 to this Transfer Order;
- (ii) those contracts of Ontario Hydro specified in Exhibit B to this Transfer Order;
- (iii) that litigation of Ontario Hydro specified in Exhibit C to this Transfer Order;
- (iv) those liabilities of Ontario Hydro specified in Exhibit D to this Transfer Order; and
- (v) those books and records or copies of books and records and other information of Ontario Hydro specified in Exhibit E to this Transfer Order.

3.2 The Excluded Officers, Employees, Assets, Liabilities, Rights and Obligations are excluded from the transfer pursuant to this Transfer Order and are not transferred to nor acquired or assumed nor required to be performed by the Transferee hereunder.

- 3.3 (a) The Transferee hereby acquires all rights, title and interest of Ontario Hydro in and to all assets and rights transferred to the Transferee by section 3.1 of this Transfer Order and hereby assumes and is obligated to perform all liabilities and obligations of Ontario Hydro transferred to the Transferee by section 3.1 of this Transfer Order.
- (b) Nothing in this Transfer Order amends, adds to, deletes from or otherwise modifies any liabilities or obligations that are assumed by or imposed on the Transferee by this Transfer Order.
- (c) The transfer of any liability or obligation by this Transfer Order releases Ontario Hydro and its successors from the liability or obligation.
- (d) The transfer of the assets, rights, liabilities and obligations to the Transferee by this Transfer Order includes all rights, remedies, obligations and liabilities of Ontario Hydro under the *Freedom of Information and Protection Act*, R.S.O. 1990 c. F31, as amended, (the "FOI Act"), as if the Transferee were subject to such liabilities and obligations of Ontario Hydro under the FOI Act, solely with respect to any request for access to a record or records or parts thereof made under the FOI Act (a "Request"), including all rights, remedies, obligations and liabilities of Ontario Hydro respecting any notices, appeals, judicial review applications, and other steps or proceedings relating to such a Request (collectively "Proceedings"), provided:
- (i) the Request was received by Ontario Hydro prior to the Transfer Date;
 - (ii) the Request is Related to the Business or is related to the assets (including any books and records), liabilities, rights or obligations transferred to the Transferee pursuant to this Transfer Order; and
 - (iii) the Request or any of the Proceedings have not been concluded prior to the Transfer Date or any appeal period applicable thereto has not expired prior to the Transfer Date.

With respect to such Requests and Proceedings, the Transferee shall have all the rights (including the rights under the FOI Act relating to granting or refusing requests for access to records or parts thereof), powers and duties of an "institution" (as that term is defined in the FOI Act) and the Chair of the Board of Directors of the transferee shall have the same rights, powers and duties as a "head" (as that term is defined in the FOI Act) as if the FOI Act applied to the Transferee, however, for greater certainty, the Transferee is not an agency, board, commission, corporation or other body designated as an institution in the regulations made under the FOI Act.

Terms defined in this section 3.3(d) have the meanings ascribed thereto for the purposes of this section only.

- (e) The Transferee is obligated to perform all obligations and comply with all terms and conditions of all approvals, exemption orders or declaration orders made under the *Environmental Assessment Act* or the regulations made pursuant thereto existing at the Transfer Date and relating to any asset or right transferred to the Transferee by this Transfer Order and such obligations are binding on the Transferee notwithstanding the status of such assets or rights of the Transferee under the *Environmental Assessment Act* or the regulations made pursuant thereto.

4. Listed or Described Assets, Liabilities, Rights and Obligations

- 4.1 Assets, liabilities, rights or obligations of Ontario Hydro that are specifically listed or specifically described in a schedule to an Exhibit to this Transfer Order (other than in a schedule to Exhibit F) are transferred by this Transfer Order despite any other provision of this Transfer Order or any provision in the Transfers but subject to sections 4.2(a) and 7.1 of this Transfer Order.
- 4.2
 - (a) If any conflict arises between this Transfer Order and a Transfer as to the assets, liabilities, rights or obligations of Ontario Hydro transferred by this Transfer Order, such conflict shall be determined in accordance with the conflict resolution procedure set out in Exhibit I to this Transfer Order.
 - (b) If any assets, liabilities, rights or obligations of Ontario Hydro that relate to two or more Businesses (as each Business is defined in the Transfers and this Transfer Order) are transferred to Ontario Power Generation Inc. pursuant to section 3.1(b) of the Transfer to Ontario Power Generation Inc. and Ontario Power Generation Inc. and the parties as provided in section 5.1 of this Transfer Order have not entered into a written agreement pursuant to section 5.1 of this Transfer Order in respect of the allocation of title to and liability for such assets, liabilities, rights or obligations, then such allocation shall be determined in accordance with the conflict resolution procedure set out in Exhibit I to this Transfer Order.

5. Agreements

- 5.1 The Transferee and Ontario Hydro or its successors shall on the dates, if any, specified in Exhibit G to this Transfer Order enter into the agreements to which it is to be a party specified in such Exhibit with the parties noted in such Exhibit on such terms as the Transferee and Ontario Hydro and its successors and such parties shall agree, which agreements shall take effect on the dates specified, if any, and shall be valid and binding upon the Transferee and Ontario Hydro and its

successors and the other parties thereto and enforceable against them in accordance with their terms.

- 5.2 The Transferee shall, in good faith and as expeditiously as possible, upon the request of any person lawfully entitled to register or deposit a document in Form 4 – Document General under the *Land Registration Reform Act* or a document attached to a document in Form 4 against the title to land or an interest in land transferred to the Transferee by this Transfer Order, become a party to such Form 4 as evidenced by its execution thereof, solely for the purpose of the Transferee making or giving effect to such statement or statements made pursuant to section 124 of the *Electricity Act, 1998* as are necessary in order to enable such person to register or deposit such document in Form 4 or a document attached to a document in Form 4 against the title to such land or interest in land.

6. Timing and Sequence of Events

- 6.1 Despite any provision in this Transfer Order (other than the provisions of section 7.1) or in any other Transfer, the transfer to and the vesting in the Transferee of all the rights, title, interest and obligations of Ontario Hydro in, to and in respect of the assets, rights, liabilities and obligations of Ontario Hydro transferred by this Transfer Order are hereby determined to be completed at a point in time immediately prior to the coming into force of section 54 of the Act.

7. Transfer Not Effective

- 7.1 If,
- (a) despite the provisions of the Act, this Transfer Order cannot or otherwise fails for any reason to fully and effectively in law transfer to the Transferee any asset, right, liability or obligation of Ontario Hydro purported to be transferred to the Transferee by this Transfer Order, or
 - (b) despite the provisions of the Act, the transfer of any asset, right, liability or obligation of Ontario Hydro by this Transfer Order would constitute a breach of the terms of such asset, right, liability or obligation or would constitute a breach of any law, decree, order or regulation of any governmental authority having jurisdiction,

then such assets, rights, liabilities or obligations (including such rights, liabilities or obligations in, to or related to a Reserve and any fixtures of Ontario Hydro situated on such Reserve) shall not be transferred by this Transfer Order on the Transfer Date and shall, to the extent permitted in law, be held in trust by Ontario Hydro or its successors for the benefit of the Transferee, in accordance with the terms of this Transfer Order and upon such further terms as shall be agreed upon by Ontario Hydro or its successors and the Transferee in a written agreement that

shall be entered into by such parties pursuant to section 5.1 of this Transfer Order, until such time as they may be fully and effectively transferred in law, and until such transfer would not constitute a breach of the terms of such asset, right, liability or obligation and would not constitute a breach of such law, decree, order or regulation of such governmental authority having jurisdiction, whereupon such assets, rights, liabilities or obligations (including any fixtures of Ontario Hydro situated on a Reserve in respect of which such Reserve the appropriate consent to transfer has been obtained or in respect of which Reserve a new right has been obtained by the Transferee) shall automatically be transferred to and vest in the Transferee by this Transfer Order. Ontario Hydro and its successors shall, as soon as they may effectively do so in accordance with the terms of this section 7.1, convey, assign and transfer such assets, rights, liabilities or obligations to the Transferee (including all liabilities and obligations related to such assets and rights) to the extent it may be necessary in order to fully and effectively complete in law the transfer of such assets, rights, liabilities or obligations and the Transferee shall assume and agree in writing to be bound by the liabilities and obligations so transferred.

8. Obligations of the Transferee and Ontario Hydro

- 8.1 (a) The Transferee shall, in accordance with the terms of this Transfer Order and such further terms as shall be agreed upon by Ontario Hydro or its successors and the Transferee in a written agreement that shall be entered into by such parties pursuant to section 5.1 of this Transfer Order, perform at its own expense and on its own account all obligations related to or arising under, out of or in connection with any assets, rights, liabilities or obligations of Ontario Hydro purported to be transferred or purported to be released by this Transfer Order but which, despite the provisions of the Act, this Transfer Order does not or cannot or otherwise fails for any reason to fully and effectively transfer to the Transferee or from which it does not or cannot or otherwise fails for any reason to fully and effectively release Ontario Hydro, and the Transferee shall indemnify and save fully harmless Ontario Hydro and its successors for and in respect of all costs, losses, damages, obligations, liabilities, actions and causes of action suffered or incurred by Ontario Hydro or its successors (i) arising out of or related in any way to such assets, rights, liabilities and obligations or the failure to perform or comply with the terms and conditions thereof or (ii) arising out of or related to the trusts created by this Transfer Order.
- (b) The Transferee shall diligently complete all reasonable measures that Ontario Hydro or its successors may require in order to obtain, as expeditiously as possible, all necessary rights, consents and releases in order that any assets or rights or any liabilities or obligations purported to be transferred by this Transfer Order but which this Transfer Order, despite the provisions of the Act, does not or cannot or otherwise fails for any reason to fully and effectively transfer to the Transferee may be fully

and effectively transferred to the Transferee in accordance with the terms of section 7.1 or in order that new rights may be granted to or in favour of the Transferee, and in order that Ontario Hydro and its successors are fully and effectively in law released from such liabilities and obligations. It shall be a condition precedent to the automatic transfer and vesting provided for in section 7.1 that Ontario Hydro or its successors be satisfied with the terms and conditions of such rights and consents as evidenced in writing.

- (c) In order that the full value of the assets and rights that may be held by Ontario Hydro or its successors for the benefit of the Transferee pursuant to section 7.1 of this Transfer Order may be realized for the benefit of the Transferee, Ontario Hydro and its successors shall, in accordance with the terms of this Transfer Order and such further terms as shall be agreed upon by Ontario Hydro or its successors and the Transferee in a written agreement that shall be entered into by such parties pursuant to section 5.1 of this Transfer Order, at the reasonable request and at the expense and on the account of the Transferee, in the name of Ontario Hydro or its successors if necessary in law, take such reasonable action and do or cause to be done such things as are, in the reasonable opinion of the Transferee and Ontario Hydro and its successors, necessary and proper in order that the rights or title of Ontario Hydro as at the Transfer Date in and to such assets and rights is preserved and enures to the benefit of the Transferee and, in order that any money due and payable and to become due and payable to the Transferee in and under or pursuant to such assets and rights is received by the Transferee, Ontario Hydro and its successors shall, subject to any right of set off, counterclaim or abatement of Ontario Hydro or its successors as against the Transferee, Ontario Hydro Services Company Inc. or any subsidiary corporation of Ontario Hydro Services Company Inc., pay to the Transferee all such money as may be received by or paid to Ontario Hydro or its successors and is properly payable to the Transferee in respect of such assets and rights. Nothing in this section 8.1(c) derogates from the obligations of the Transferee pursuant to this Transfer Order or any agreement pursuant to this Transfer Order.
- (a) The Transferee shall not assign, convey, sell, lease, mortgage, charge or otherwise transfer or purport to assign, convey, sell, lease, mortgage, charge or otherwise transfer to any person any right, title or interest in and to any of the assets, rights, liabilities or obligations which, despite the provisions of the Act, this Transfer Order does not or cannot or otherwise fails for any reason to fully and effectively transfer to the Transferee or from which it does not or cannot or otherwise fails to fully and effectively release Ontario Hydro and its successors, without the prior written consent of Ontario Hydro or its successors and unless such person agrees in writing with Ontario Hydro or its successors to be bound by the trust,

indemnity and further assurance provisions of this Transfer Order, and the agreements related thereto between Ontario Hydro and its successors and the Transferee, as set out in sections 7.1, 8.1 and 9.1 of this Transfer Order.

9. Further Assurances

- 9.1 Each of Ontario Hydro and its successors and the Transferee shall from time to time and at all times after the effective date of this Transfer Order make, do and execute or cause and procure to be made, done and executed, in accordance with the terms of this Transfer Order and such further terms as shall be agreed upon by Ontario Hydro or its successors and the Transferee in a written agreement that shall be entered into by such parties pursuant to section 5.1 of this Transfer Order, all such further acts, deeds or assurances as may be necessary in order to lawfully complete the transfer to and assumption by the Transferee of the assets, rights, liabilities and obligations of Ontario Hydro by or pursuant to this Transfer Order, including for the purpose of effecting necessary registrations.

10. Successors and Assigns

- 10.1 The rights and obligations of Ontario Hydro and its successors and the Transferee as set out in sections 7.1, 8.1 and 9.1 of this Transfer Order and in the agreements between Ontario Hydro and its successors and the Transferee pursuant thereto, shall extend to, be binding upon and enure to the benefit of Ontario Hydro and its successors and assigns and the Transferee and its successors and assigns, including the successors in right, title and interest of the Transferee to the assets, rights, liabilities and obligations transferred to the Transferee by this Transfer Order.

EXHIBIT B

***TO TRANSFER ORDER TRANSFERRING CERTAIN OF THE OFFICERS,
EMPLOYEES, ASSETS, LIABILITIES, RIGHTS AND OBLIGATIONS OF ONTARIO
HYDRO TO ONTARIO HYDRO NETWORKS COMPANY INC.***

CONTRACTS

All contracts of Ontario Hydro Related to the Business, including all agreements, equipment and personal property leases and other arrangements, whether executory or otherwise, ("Contracts") including all Contracts to or by which Ontario Hydro or any of the assets Related to the Business or the Business is bound or affected, and including the Contracts described or referred to in a schedule to this Exhibit filed in the Office of the Executive Council at or before 12:00 noon on March 31, 1999.

SCHEDULE TO EXHIBIT B

***TO TRANSFER ORDER TRANSFERRING CERTAIN OF THE OFFICERS,
EMPLOYEES, ASSETS, LIABILITIES, RIGHTS AND OBLIGATIONS OF ONTARIO
HYDRO TO ONTARIO HYDRO NETWORKS COMPANY INC.***

CONTRACTS

This Schedule to Exhibit B consists of:

a) All contracts with customers of Ontario Hydro in the Rural Power District, as defined in subsection 100(2) of the *Power Corporation Act*, where the said contracts are:

- i) for the supply of power; or
- ii) for either, both or neither of water heater rental and sentinel light rental,

which contracts are referenced in the Customer Service System Production Database as at March 31, 1999, said Database maintained by Ontario Hydro Services Company Inc., or one of its subsidiaries; and

b) the list of Contracts contained in Binder 78 of 79 as follows:

Schedule B DNAM Transfer of Contracts;

Schedule B TNAM Transfer of Contracts;

Schedule B Management, Constitution and Future Growth;

Schedule B Province Wide (Information Technology) Contracts;

Schedule B Telecom; and

Schedule B Procurement/Misc.

This is Exhibit "H" referred to in
the Affidavit of **JOHN GUSTIN**

AFFIRMED BEFORE ME:

☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.



A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345 6219
Fax: (416) 345 5870
Cell: (647) 282 2597
Allan.Cowan@HydroOne.com

Allan Cowan

Director, Regulatory Applications
Regulatory Affairs



BY COURIER

December 28, 2007

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

Dear Ms. Walli:

Hydro One Networks' Request for Leave to Sell Distribution Assets to Formet Industries

Hydro One Networks (Networks) seeks Board approval under Section 86(1)(b) of the *Ontario Energy Board Act*, 1998, for leave to sell assets to Formet Industries, a division of Magna Structural Systems Inc. located in St. Thomas, Ontario. Given that the proposed sale has no material effect on any other party, we ask the Board to dispose of this proceeding without a hearing under Section 21(4)(b) of the *Act*.

The assets being sold in this transaction are described in the attached. These assets are necessary in serving Formet Industries and there will be no material impact on the rate payers or any other parties due to this transaction. There are no environmental issues associated with it and the sale will not affect the safety, reliability, operational flexibility or economic efficiency of Networks or Formet Industries. Formet Industries has agreed to the sale of the assets as per the signed General Conveyance and Bill of Sale attached to this Application. The sale price is \$750,000 plus GST. This price was established as part of the original contract signed on October 15, 1997 by Ontario Hydro (now Networks) and Cosma International Inc. (now Formet Industries). This contract, which was assigned to Networks as part of the de-merger of Ontario Hydro, contains a contractual obligation for Networks to sell the assets to Formet Industries by December 31, 2007.

Should you have any questions, please contact Joanne Richardson at (416) 345-5393.

Yours truly,

ORIGINAL SIGNED BY ALLAN COWAN

Allan Cowan

c. Jennifer Lea, Ontario Energy Board

Attach.

Ontario Energy Board

Preliminary Filing Requirements for Applications Under Section 86(1)(b) of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

The Ontario Energy Board (the "Board") has established this form under section 13 of the *Ontario Energy Board Act, 1998* (the "Act") and requires that a proceeding under section 86(1)(b) of the Act be commenced by filing this form. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

All applicants must complete and file the information requested in this form.

For applications involving leasing arrangements, the "Preliminary Filing Requirements for Applications Under Section 86 of the *Ontario Energy Board Act, 1998*", form is required. For transactions involving a non-licensed entity, please contact Market Operations at market.operations@oeb.gov.on.ca for further guidance.

1.1 Applicant

PART I: IDENTIFICATION OF THE PARTIES Name of Applicant Hydro One Networks Inc.	File No: (Board Use Only)	
Address of Head Office 483 Bay St. 8th Floor, South Tower Toronto, ON M5G 2P5	Telephone Number 416 345 6219	
	Facsimile Number 416 345 5866	
	E-mail Address allan.cowan@hydroone.com	
Name of Individual to Contact Allan Cowan Director – Applications Regulatory Affairs	Telephone Number Same as above	
	Facsimile Number Same as above	
	E-mail Address Same as above	

1.2 Other Parties to the Transaction

If more than one attach list

Name of Other Party Formet Industries, A Division of Magna Structural Systems Inc. (Formerly Cosma International Inc.)		File No: (Board Use Only)	
Address of Head Office 1 Cosma Court St. Thomas, Ontario N5P 4J5		Telephone Number 519 633 8400	
		Facsimile Number 519 631 8066	
		E-mail Address N/A	
Name of Individual to Contact Bob Tyssen General Manager Formet Industries		Telephone Number Same as above	
		Facsimile Number Same as above	
		E-mail Address	
1.2.1	If the proposed recipient is not a licensed distributor or transmitter, is it a distributor or transmitter that is exempted from the requirement to hold a distribution or transmission licence? Formet Industries is a manufacturing operation. It is neither a licensed transmitter nor a licensed distributor.		

**PART II: DESCRIPTION OF THE ASSETS TO BE TRANSFERRED PART III:
DESCRIPTION OF THE PROPOSED TRANSACTION**

2.1	<p>Please attach a description of the assets that are the subject of the proposed transaction.</p> <p>The subject distribution assets are located on the property of Formet Industries in St. Thomas, Ontario and consist of:</p> <p>Eight (8) 27.6/0.6 kV transformers with a nameplate capacity of 4000 KVA, a 27.6 kV switching facility including six (6) line switches, two (2) 27.6 kV feeders and 18 poles.</p> <p>A detailed description of the assets is provided in Table 1, Appendix A of the General Conveyance and Bill of Sale attached as per Part V of this Application.</p>	
2.2	<p>Please indicate where the assets are located – whether in the applicant's service territory or in the proposed recipient's service territory (if applicable). Please include a map of the location.</p> <p>The subject distribution assets are located entirely on the property of Formet Industries at 1 Cosma Court in St. Thomas, Ontario.</p>	
2.3	<p>Are the assets surplus to the applicant's needs? If yes, please indicate why, and since when.</p> <p>These assets are not surplus to Hydro One Networks needs. They are required to provide service to Formet Industries. Hydro One acquired these assets during the de-merger of Ontario Hydro as the result of the assignment of an Agreement between Ontario Hydro and what was then called Cosma International (now Formet Industries). Under the Agreement, there is a contractual obligation for Hydro One Networks to sell the assets to Formet Industries by December 31, 2007.</p>	
2.4	<p>Are the assets useful to the proposed recipient or any other party in serving the public? If yes, please indicate why.</p> <p>The assets are required to provide service to Formet Industries facilities in St. Thomas.</p>	
2.5	<p>Please indicate which utility's customers are currently served by the assets.</p> <p>Formet Industries is the only customer served by these assets.</p>	
2.6	<p>Please indicate which utility's customers will be served by the assets after the transaction and into the foreseeable future</p> <p>Formet Industries will continue to be the only customer served by these assets.</p>	
3.1	<p>Please indicate if the proposed transaction will be a sale, lease or other (please specify).</p> <p>The transaction will be a sale.</p>	

3.2	<p>Please attach the details of the consideration (e.g. cash, assets, shares) to be given and received by each of the parties to the proposed transaction.</p> <p>The sale price including GST is \$795,000 per the original Agreement between Ontario Hydro and Cosma International Inc. The current net book value of these assets is approximately \$1.2 million.</p>	
3.3	<p>Would the proposed transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how.</p> <p>No.</p>	
3.4	<p>Would the proposed transfer impact distribution or transmission rates of the applicant? If yes, please specify how.</p> <p>There will be no material impact upon the distribution ratepayers of Hydro One Networks as the result of this sale.</p>	
3.5	<p>Will the transaction adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of the applicant or the proposed recipient? If yes, please specify how.</p> <p>There will be no impact upon the above factors as a result of this transaction.</p>	

PART IV: WRITTEN CONSENT/JOINT AGREEMENT

Hydro One Networks Inc. agrees to all the statements made in this application. Formet Industries agreement to the sale is provided as Part V of this Application.

ORIGINAL SIGNED BY ALLAN COWAN

Allan Cowan, Director Applications

Dated: December 28, 2007

PART V: REQUEST FOR NO HEARING

Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide

(a) An explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding **AND**

(b) The proposed recipient's written consent to the disposal of the application without a hearing.

- (a) **The assets are located entirely on the private property of Formet Industries in St. Thomas and serve no other customers. The sale fulfils the contractual obligations of Hydro One Networks Inc. as the result of the assignment of an Agreement originally entered into by Ontario Hydro and Cosma International Inc. The proposed sale will have no material effect on any other party other than the purchaser and seller, accordingly we ask the Board to dispose of this proceeding without a hearing under Section 21(4)(b) of the Act.**
- (b) **The General Conveyance and Bill of Sale, dated December 10, 2007 provides Formet Industries consent to the sale of the assets and is attached as Appendix A.**

PART VI: OTHER INFORMATION

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

How to Contact the Ontario Energy Board:

The Ontario Energy Board is located at:

P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, ON
M4P 1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	http://www.oeb.gov.on.ca
Board Secretary's email:	boardsec@oeb.gov.on.ca

Appendix A

Conveyance and Bill of Sale Between Hydro One Networks Inc. and Formet Industries

THIS GENERAL CONVEYANCE AND BILL OF SALE made as of this 10th day of December, 2007, between **FORMET INDUSTRIES, a division of MAGNA STRUCTURAL SYSTEMS INC.**, a company conducting business in Ontario ("**Buyer**") and **HYDRO ONE NETWORKS INC.**, a company conducting business in Ontario ("**Seller**").

RECITALS:

- A. Cosma International Inc. and Ontario Hydro entered into a Power Facilities Agreement (the "**Agreement**") dated as of the 15th day of October, 1997 concerning certain electrical power facilities to be installed at Buyer's manufacturing plant located at 1 Cosma Court, St. Thomas, Ontario (the "**Property**");
- B. Hydro One Networks Inc. is the successor to Ontario Hydro;
- C. Magna Structural Systems Inc. is the successor to Cosma International Inc. in connection with the Agreement and the Property; and
- D. As contemplated by the Agreement, the Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, two 27.6 kV feeders, transformers, a 27.6 kV switching facility including, but not limited to the line switches, metering equipment and related assets identified in Appendix "A" attached hereto and forming a part hereof (collectively, the "**Assets**") that are owned by Seller and located on the Property.

AGREEMENT:

In consideration of the Purchase Price (as defined below) and for other good and valuable consideration to be paid by Buyer to Seller, Buyer and Seller agree as follows:

1. **Conveyance.** Seller grants, bargains, sells, assigns, transfers, conveys and sets over onto Buyer all of Seller's right, title and interest in the Assets, to have and hold for Buyer's own use and benefit absolutely. This conveyance takes effect immediately upon the last to occur of (i) the payment of the Purchase Price; and (ii) the execution of this General Conveyance and Bill of Sale Agreement, such date being referred to herein as the "**Transfer Date**."
2. **Exclusion.** Buyer and Seller acknowledge and agree that the telephone connection to the Assets does not form part of the Assets. Seller agrees that it will be solely responsible for maintaining the telephone connection and paying all associated fees and charges on and after the Transfer Date.
3. **Purchase Price.** The price paid by Buyer to Seller (the "**Purchase Price**") for the Assets shall be paid in cash or by certified cheque and is \$795,000.00, being \$750,000.00 plus GST of \$45,000.00 and \$NIL PST, which amount is due and payable no later than December 31, 2007.
4. **Quiet Enjoyment.** Seller covenants that Buyer shall have and may enjoy quiet, peaceful use of the Assets without any manner of hindrance, interruption, molestation, claim or demand whatever from Seller or from any person claiming under or through Seller.
5. **Purchase "As Is".** Buyer accepts the Assets in "as is, where is" condition, and acknowledges that it has inspected the Assets. Buyer acknowledges and agrees that it designed, acquired, installed and maintained the Assets at the Buyer's automotive parts plant

-2-

located at 1 Cosma Court, St. Thomas, Ontario. Except as provided herein, Seller makes no representation or warranty, express, implied, statutory or otherwise, including any representation or warranty as to merchantability or fitness for a particular purpose, with respect to the Assets or any part thereof, including the performance or operation, condition, design, capabilities, suitability, durability or quality thereof.

6. **No Warranty of Compliance.** Seller represents and warrants that when it installed the 27.6 kV switching facility and the two 27.6 kV feeders on the Property the installation complied with the then-current specifications and instructions of Seller's predecessor, Ontario Hydro. Seller does not represent or warrant that the Assets comply with applicable legislation or codes as at the Transfer Date, including but not limited to the requirements of the Ontario *Electrical Safety Code* (the "Code"). Buyer acknowledges and agrees that
- (a) the Buyer was informed by Seller prior to the Transfer Date that following the Transfer, the Assets become subject to the requirements of the Code;
 - (b) the report prepared by the Electrical Safety Authority and provided to the Buyer has identified that some or all of the Assets are not in compliance with the requirements of the Code;
 - (c) Hydro One will notify the Electrical Safety Authority after the Transfer Date that the Transfer was completed; and
 - (d) since Hydro One will not be correcting the identified non-compliances with the Code, the Buyer will be responsible for filing a separate application for inspection with the Electrical Safety Authority prior to the commencement of any electrical work to bring the Assets into compliance with the Code.

The Buyer has retained Tiltran Services, a division of Carroll Electric (1982) Limited ("Tiltran") to carry out certain works on the Assets to render them compliant with the requirements of Electrical Safety Authority (the "Remedial Work"). Tiltran has made submission to Electrical Safety Authority for approval of the Remedial Work, submission No. 40018899. Upon approval of such submission, Tiltran will carry out the Remedial Work at the sole cost of the Buyer, as soon as practicable. Electrical Safety Authority has confirmed with both Buyer and Seller that the Remedial Work may be completed following the Transfer Date.

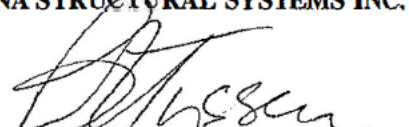
7. **Hazardous Substances.** Hazardous or toxic substances may be or may have been contained in some or all of the Assets. **Buyer is solely responsible for determining the nature and scope of all resulting risks and, without limitation, assumes all responsibility and liability in connection therewith.**
8. **Release and Indemnity.** Buyer for itself, its successors and assigns hereby releases, discharges, defends and indemnifies Seller, its successors and assigns and its employees, directors, officers, agents and representatives, from and against any and all further costs and responsibilities and any and all loss, damage or injury to persons or property (including loss of life), actions, suits, proceedings, charges, expenses, risks, liabilities, debts, obligations, duties, claims and demands which relate to, may arise from, be based upon or connected in any way with the Assets (including the presence of hazardous or toxic substances in or on the Assets) and the purchase and sale thereof.

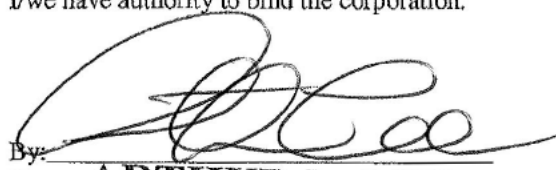
-3-

9. **Release of Easements.** Effective on the Transfer Date, the Seller hereby releases and discharges all easements originally granted to Ontario Hydro pursuant to the terms of the Agreement.
10. **Release of Agreement.** Effective upon the Transfer Date, the Agreement is terminated, released and discharged and all obligations of the Buyer and the Seller thereunder shall be deemed to have been satisfied or waived.
11. **Corporate Authority.** Each of Buyer and Seller represents and warrants that the conveyance of the Assets and the execution and delivery of this General Conveyance and Bill of Sale Agreement have been duly authorized by it and are within its corporate powers.
12. **Entire Agreement; Survival of Terms.** Appendix "A" appended hereto forms part of this agreement. Buyer and Seller agree that all provisions of this General Conveyance and Bill of Sale Agreement shall forever survive the execution and delivery hereof and the conveyance of the Assets and not merge on transfer of the Assets.
13. **Counterpart Agreement; Signatures.** This agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this agreement and all of which, when taken together, will be deemed to constitute one and the same instrument. Signed versions of this agreement delivered by facsimile or other electronic means shall be deemed binding and enforceable for all purposes to the same extent as if delivered in original form.

IN WITNESS WHEREOF Buyer and Seller have caused this General Conveyance and Bill of Sale to be executed on the date first written above by their respective authorized signatories.

**FORMET INDUSTRIES, A DIVISION OF
MAGNA STRUCTURAL SYSTEMS INC.**

By: 
Name: Bob Tyssen
Title: General Manager
I/we have authority to bind the corporation.

By: 
Name: **ARTHUR L. LEE**
Title: Vice-President, Secretary
and General Counsel
I/we have authority to bind the corporation.

HYDRO ONE NETWORKS INC.

By: _____
Laura Formosa
President & C.E.O.
I have authority to bind the corporation.

APPENDIX "A"

to the General Conveyance and Bill of Sale made December, 2007 between **MAGNA STRUCTURAL SYSTEMS INC.** and **HYDRO ONE NETWORKS INC.**

Eight (8) 27.6/0.6 kV fixed transformers with a nameplate capacity of 4000 KVA with serial numbers identified in Table 1 below, (the "Fixed Transformers"), a 27.6 kV switching facility including, the line switches identified in Table 1 below, located on the lands of the Buyer identified on the Sketch attached as Schedule "A" to the Transfer and Grant of Easement granted by Cosma International Inc. to Ontario Hydro on or about 1997 (the "Property") and two 27.6 kV feeders over, across, under and through the Property being comprised of the poles and conductor identified in Table 1 below.

Table 1:

	Number								
Transformer	Size (KVA)	4000	4000	4000	4000	4000	4000	4000	4000
Information	Year	1997	1997	1997	1997	1997	1997	1997	1997
	Serial number	DB97D001	DB97D002	DB97D003	DB97D004	DB97D005	DB97D006	DB97D007	DB97D008
Poles	Number of poles (1997)	6	6	6					
	Height	50	50	55					
	Class	2	3	2					
Conductor	Type	acsr	acsr	primary u/g					
	Size	795 mcm	3/0	1000 mcm					
	Length	1130m	900m	400m					
Line Switches	Designation	2702M7-Z	27021B-Z	2702M8-Q	27021A-Q	SW for future			
In Cabinet	Number	1	1	1	1	2			

THIS GENERAL CONVEYANCE AND BILL OF SALE made as of this 10th day of December, 2007, between **FORMET INDUSTRIES, a division of MAGNA STRUCTURAL SYSTEMS INC.**, a company conducting business in Ontario ("**Buyer**") and **HYDRO ONE NETWORKS INC.**, a company conducting business in Ontario ("**Seller**").

RECITALS:

- A. Cosma International Inc. and Ontario Hydro entered into a Power Facilities Agreement (the "**Agreement**") dated as of the 15th day of October, 1997 concerning certain electrical power facilities to be installed at Buyer's manufacturing plant located at 1 Cosma Court, St. Thomas, Ontario (the "**Property**");
- B. Hydro One Networks Inc. is the successor to Ontario Hydro;
- C. Magna Structural Systems Inc. is the successor to Cosma International Inc. in connection with the Agreement and the Property; and
- D. As contemplated by the Agreement, the Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, two 27.6 kV feeders, transformers, a 27.6 kV switching facility including, but not limited to the line switches, metering equipment and related assets identified in Appendix "A" attached hereto and forming a part hereof (collectively, the "**Assets**") that are owned by Seller and located on the Property.

AGREEMENT:

In consideration of the Purchase Price (as defined below) and for other good and valuable consideration to be paid by Buyer to Seller, Buyer and Seller agree as follows:

- 1. **Conveyance.** Seller grants, bargains, sells, assigns, transfers, conveys and sets over onto Buyer all of Seller's right, title and interest in the Assets, to have and hold for Buyer's own use and benefit absolutely. This conveyance takes effect immediately upon the last to occur of (i) the payment of the Purchase Price; and (ii) the execution of this General Conveyance and Bill of Sale Agreement, such date being referred to herein as the "**Transfer Date**."
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- 3. **Purchase Price.** The price paid by Buyer to Seller (the "**Purchase Price**") for the Assets shall be paid in cash or by certified cheque and is \$795,000.00, being \$750,000.00 plus GST of \$45,000.00 and \$NIL PST, which amount is due and payable no later than December 31, 2007.
- 4. **Quiet Enjoyment.** Seller covenants that Buyer shall have and may enjoy quiet, peaceful use of the Assets without any manner of hindrance, interruption, molestation, claim or demand whatever from Seller or from any person claiming under or through Seller.
- 5. **Purchase "As Is".** Buyer accepts the Assets in "as is, where is" condition, and acknowledges that it has inspected the Assets. Buyer acknowledges and agrees that it designed, acquired, installed and maintained the Assets at the Buyer's automotive parts plant

located at 1 Cosma Court, St. Thomas, Ontario. Except as provided herein, Seller makes no representation or warranty, express, implied, statutory or otherwise, including any representation or warranty as to merchantability or fitness for a particular purpose, with respect to the Assets or any part thereof, including the performance or operation, condition, design, capabilities, suitability, durability or quality thereof.

6. **No Warranty of Compliance.** Seller represents and warrants that when it installed the 27.6 kV switching facility and the two 27.6 kV feeders on the Property the installation complied with the then-current specifications and instructions of Seller's predecessor, Ontario Hydro. Seller does not represent or warrant that the Assets comply with applicable legislation or codes as at the Transfer Date, including but not limited to the requirements of the Ontario *Electrical Safety Code* (the "**Code**"). Buyer acknowledges and agrees that
- (a) the Buyer was informed by Seller prior to the Transfer Date that following the Transfer, the Assets become subject to the requirements of the Code;
 - (b) the report prepared by the Electrical Safety Authority and provided to the Buyer has identified that some or all of the Assets are not in compliance with the requirements of the Code;
 - (c) Hydro One will notify the Electrical Safety Authority after the Transfer Date that the Transfer was completed; and
 - (d) since Hydro One will not be correcting the identified non-compliances with the Code, the Buyer will be responsible for filing a separate application for inspection with the Electrical Safety Authority prior to the commencement of any electrical work to bring the Assets into compliance with the Code.

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7. **Hazardous Substances.** Hazardous or toxic substances may be or may have been contained in some or all of the Assets. **Buyer is solely responsible for determining the nature and scope of all resulting risks and, without limitation, assumes all responsibility and liability in connection therewith.**
8. **Release and Indemnity.** Buyer for itself, its successors and assigns hereby releases, discharges, defends and indemnifies Seller, its successors and assigns and its employees, directors, officers, agents and representatives, from and against any and all further costs and responsibilities and any and all loss, damage or injury to persons or property (including loss of life), actions, suits, proceedings, charges, expenses, risks, liabilities, debts, obligations, duties, claims and demands which relate to, may arise from, be based upon or connected in any way with the Assets (including the presence of hazardous or toxic substances in or on the Assets) and the purchase and sale thereof.

-3-

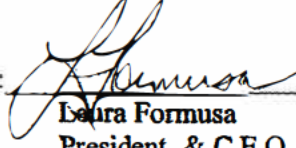
9. **Release of Easements.** Effective on the Transfer Date, the Seller hereby releases and discharges all easements originally granted to Ontario Hydro pursuant to the terms of the Agreement.
10. **Release of Agreement.** Effective upon the Transfer Date, the Agreement is terminated, released and discharged and all obligations of the Buyer and the Seller thereunder shall be deemed to have been satisfied or waived.
11. **Corporate Authority.** Each of Buyer and Seller represents and warrants that the conveyance of the Assets and the execution and delivery of this General Conveyance and Bill of Sale Agreement have been duly authorized by it and are within its corporate powers.
12. **Entire Agreement; Survival of Terms.** Appendix "A" appended hereto forms part of this agreement. Buyer and Seller agree that all provisions of this General Conveyance and Bill of Sale Agreement shall forever survive the execution and delivery hereof and the conveyance of the Assets and not merge on transfer of the Assets.
13. **Counterpart Agreement; Signatures.** This agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this agreement and all of which, when taken together, will be deemed to constitute one and the same instrument. Signed versions of this agreement delivered by facsimile or other electronic means shall be deemed binding and enforceable for all purposes to the same extent as if delivered in original form.

IN WITNESS WHEREOF Buyer and Seller have caused this General Conveyance and Bill of Sale to be executed on the date first written above by their respective authorized signatories.

**FORMET INDUSTRIES, A DIVISION OF
MAGNA STRUCTURAL SYSTEMS INC.**

HYDRO ONE NETWORKS INC.

By: _____
Name:
Title:
I/we have authority to bind the corporation.

By: 
Laura Formosa
President & C.E.O.
I have authority to bind the corporation.

By: _____
Name:
Title:

I/We have authority to bind the corporation.

APPENDIX "A"

to the General Conveyance and Bill of Sale made December, 2007 between **MAGNA STRUCTURAL SYSTEMS INC.** and **HYDRO ONE NETWORKS INC.**

Eight (8) 27.6/0.6 kV fixed transformers with a nameplate capacity of 4000 KVA with serial numbers identified in Table 1 below, (the "Fixed Transformers"), a 27.6 kV switching facility including, the line switches identified in Table 1 below, located on the lands of the Buyer identified on the Sketch attached as Schedule "A" to the Transfer and Grant of Easement granted by Cosma International Inc. to Ontario Hydro on or about 1997 (the "Property") and two 27.6 kV feeders over, across, under and through the Property being comprised of the poles and conductor identified in Table 1 below.

Table 1:

	Number								
Transformer	Size (KVA)	4000	4000	4000	4000	4000	4000	4000	4000
information	Year	1997	1997	1997	1997	1997	1997	1997	1997
	Serial number	DB97D001	DB97D002	DB97D003	DB97D004	DB97D005	DB97D006	DB97D007	DB97D008
Poles	Number of poles (1997)	6	6	6					
	Height	50	50	55					
	Class	2	3	2					
Conductor	Type	acsr	acsr	primary u/g					
	Size	795 mcm	3/0	1000 mcm					
	Length	1130m	900m	400m					
Line Switches	Designation	2702M7-Z	27021B-Z	2702M8-Q	27021A-Q	SW for future			
In Cabinet	Number	1	1	1	1	2			



EB-2007-0969

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to
section 86(1)(b) of the *Ontario Energy Board Act*, 1998
by Hydro One Networks Inc. seeking an order granting
Hydro One Networks Inc. leave to sell distribution system
assets to Formet Industries, a division of Magna
Structural Systems Inc.

By delegation, before: Jennifer Lea

DECISION AND ORDER

On December 28, 2007, Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board under section 86(1)(b) of the *Ontario Energy Board Act*, 1998 (the "Act") for an order granting Hydro One leave to sell certain assets to Formet Industries, a division of Magna Structural Systems Inc. ("Formet").

The assets being sold in this transaction consist of:

Eight (8) 27.6/0.6 kV transformers with a nameplate capacity of 4000
KVA, 27.6 kV switching facility including six (6) line switches, two (2)
27.6 kV feeders and 18 poles.

A full description of the assets can be found in the application. The assets proposed for sale are located entirely on the property of Formet in St. Thomas and serve no other customers.

Findings

Hydro One requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. I find, based on the evidence filed in the application, that no person will be adversely affected in a material way by the outcome of this proceeding. I have therefore disposed of this matter without a hearing.

Section 86(1)(b) of the Act provides that leave of the Board is required before a distributor can “sell, lease or otherwise dispose of that part of its transmission or distribution system that is necessary in serving the public.” The assets that are the subject of this transaction are necessary in serving the public.

The application states that the assets proposed for sale are not surplus to Hydro One’s needs. They are required to provide service to Formet. Hydro One acquired these assets during the de-merger of Ontario Hydro as the result of the assignment of an agreement between Ontario Hydro and Cosma International Inc. (now Formet). Under the agreement, there is a contractual obligation for Hydro One to sell the assets to Formet by December 31, 2007.

The application states that there are no environmental issues associated with the sale. The application also states that the transaction will not adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of Hydro One or Formet.

The total sale price of \$795,000 (including GST) represents the price that was established as the part of the original contract signed on October 15, 1997 by Ontario Hydro and Cosma International Inc. The General Conveyance and Bill of Sale, dated December 10, 2007, signed by both parties was provided as part of the application. Hydro One submits that the sale price is lower than the current net book value, which is approximately \$1.2 million. The application states that there will be no material impact upon distribution ratepayers of Hydro One as a result of this sale.

I find that it is in the public interest to grant Hydro One leave to sell the assets described above to Formet.

The approval of this application should in no way be construed as providing the Board’s view as to the merits of any future rate proposal related to the assets that are the subject of this decision and order.

IT IS ORDERED THAT:

1. Hydro One Networks Inc. is granted leave to sell to Formet Industries, a division of Magna Structural Systems Inc. assets generally described as:

Eight (8) 27.6/0.6 kV transformers with a nameplate capacity of 4000 KVA, 27.6 kV switching facility including six (6) line switches, two (2) 27.6 kV feeders and 18 poles.

Under section 7(1) of the Act, this decision may be appealed to the Board within 15 days.

ISSUED at Toronto, March 12, 2008

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects

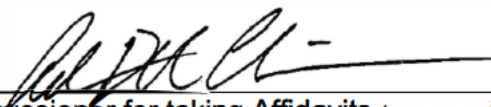
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☐ in person ☒ by video
conference

by JOHN GUSTIN, of the City of St. Thomas,
in the Province of Ontario, before me
at the City of Toronto, in the Province of Ontario
on April 17, 2023 in accordance with O. Reg.
431/20, Administering Oath or Declaration
Remotely.


A Commissioner for taking Affidavits (or as may be)

Adam D.H. Chisholm LSO# 56736M

OTHER REVENUE

Other distribution revenue is any revenue that is distribution in nature but that is sourced from means other than distribution rates and does not include interest on deferral and variance accounts.

The other revenues for the 2015TY are forecasted to be \$439,044. The details of the other revenues are in OEB Appendix 2-H.

Overall, other revenue has decreased from 2011 actual amount of \$918,526 based on the following factors:

- Rent reduction \$283,000, with restructuring STEI no longer charges building income rental to AESI,
- Revenue from non rate-regulated operations has decreased by \$19,000 as the 2014 amount reflects the water and sewer billing revenues per the 2014 SLA,
- Miscellaneous non-operating income has decreased by \$41,000. This amount has primarily been recovery of scrap material, STEI has been consciously reducing it's scrap inventory and material throughout the 2011 to 2013 period and does not anticipate recoveries in the 2015TY,
- SSS fee has been reduced by approximately \$10,000 to reflect a change in billing Street Lights from a per connection fee to a per customer fee,
- Cost associated with the recovery of other revenues has increased by \$99,000 over the 2011 actual amount.

With regard to the 2012 restructuring STEI is providing water and sewer billing and collecting services to the City of St. Thomas per a 2014 Service Level Agreement based upon a 2013 PricewaterhouseCoopers study. Although not evident in this Other Revenue section, STEI's collection charges have increase by \$78,000 over the 2011 actual and \$187,000 over the 2011

Board Approved collection charges, some of which is attributed to collection activities associated with water and sewer accounts thereby reducing the total billing and collection costs.

ACCOUNT DESCRIPTIONS

Account 4080 SSS Administration Charges

STEI charges the Board approved rate 0.25 cents per month for customers on standard service supply. The 2015TY estimate is based on the projected number of customers on Standard Supply Service. The 2015 amount reflects a change from charging the fee on a per connection fee for Street Lights to a per customer basis.

Account 4082 Retail Services Revenue

STEI charges the Board Approved rates for retail service revenue.

Account 4084 Service Transaction Requests

STEI charges the Board Approved STR rate.

Account 4210 Rent from Electric Property

This is a specific charge of \$22.35 per pole for access to STEI's power poles by other organizations, such as affiliates, telecommunications and cable companies.

Account 4220 Other Electric Revenues

In September 1997 the former ST. Thomas PUC entered into an agreement with Ontario Hydro to supply facilities – Formet Industries. Under the restructuring, STEI is recording revenue per this agreement.

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d) Capacity Utilization of Existing System Assets

Power Supply Configuration

St. Thomas Energy's distribution system is supplied by Hydro One's Edgeware Transformer Station at the north east corner of the City. Edgeware Transformer Station is supplied by two 230KV transmission lines. Presently there are nine 27.6 kV distribution feeders supplied by Edgeware Transformer Station. The Substation is designed for 12 feeder positions. Based on the summer transformer limited ten day rating (LTR) each feeder position can be allocated a load capacity of: $198 \text{ MW} / 12 = 16.5 \text{ MW}$ per feeder.

St. Thomas Energy owns six feeders. Four are used to supply the City of St. Thomas and two are used to supply the Formet Plant. The two feeders that are used for the Formet Plant are dedicated to that plant and cannot be used to supply the city.

Under emergency situations, feeders can be loaded up to about 25 MW, which will allow the maximum capacity of 4 feeders (66 MW) to be supplied by only 3 feeders. St. Thomas Energy's design criteria is to be able to supply the allocated capacity of 4 feeder (66 MW) with only three feeder without significantly affecting the supply to the city.

St. Thomas Energy Feeder Loading Criteria

Edgeware Transformer Station Loading Criteria is based on the capacity of the high voltage 230 kV transmission lines supplying it and on the 230 kV power transformer's limited ten day rating (LTR).

Edgeware Transformer's limited ten day rating (LTR):

- Transformer Rating (No Fans & Pumps/Fans/Fans &Pumps): 75/100/125 MVA
- Summer Limited Ten (10) Day Rating (LTR): 198 MW
- Winter Limited Ten (10) Day Rating (LTR): 216 MW

If the capacity for Edgeware TS is based on the rating of only one transformer with the second transformer for redundancy in case one fails or has to be taken out of service for maintenance, the maximum capacity limited ten day rating (LTR) for summer is 198MW and for winter is 216MW

Base on the summer transformer limited ten day rating (LTR) each feeder position can be allocated a load capacity of: $198\text{MW}/12 = 16.5\text{MW}$ per feeder.

Under normal operating conditions, all four of St. Thomas Energy's 27.6KV feeders are configured to be less than 10 km in length. Each of the four main feeder back bones are made up of 336 AL, 556 AL and some 795AL near the transformer station. There are some 4/0 CU sections that can be considered equivalent to 336 AL.

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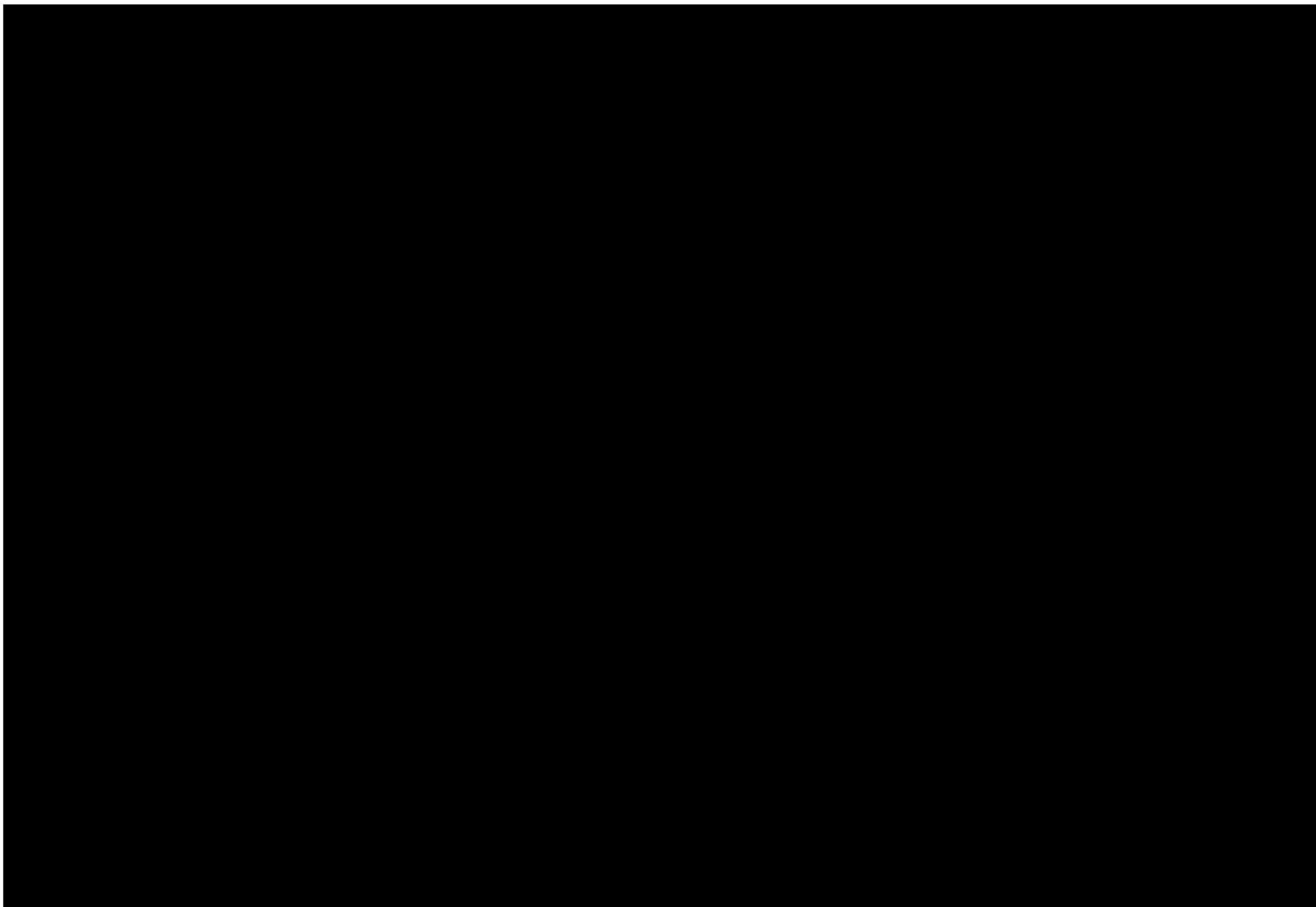
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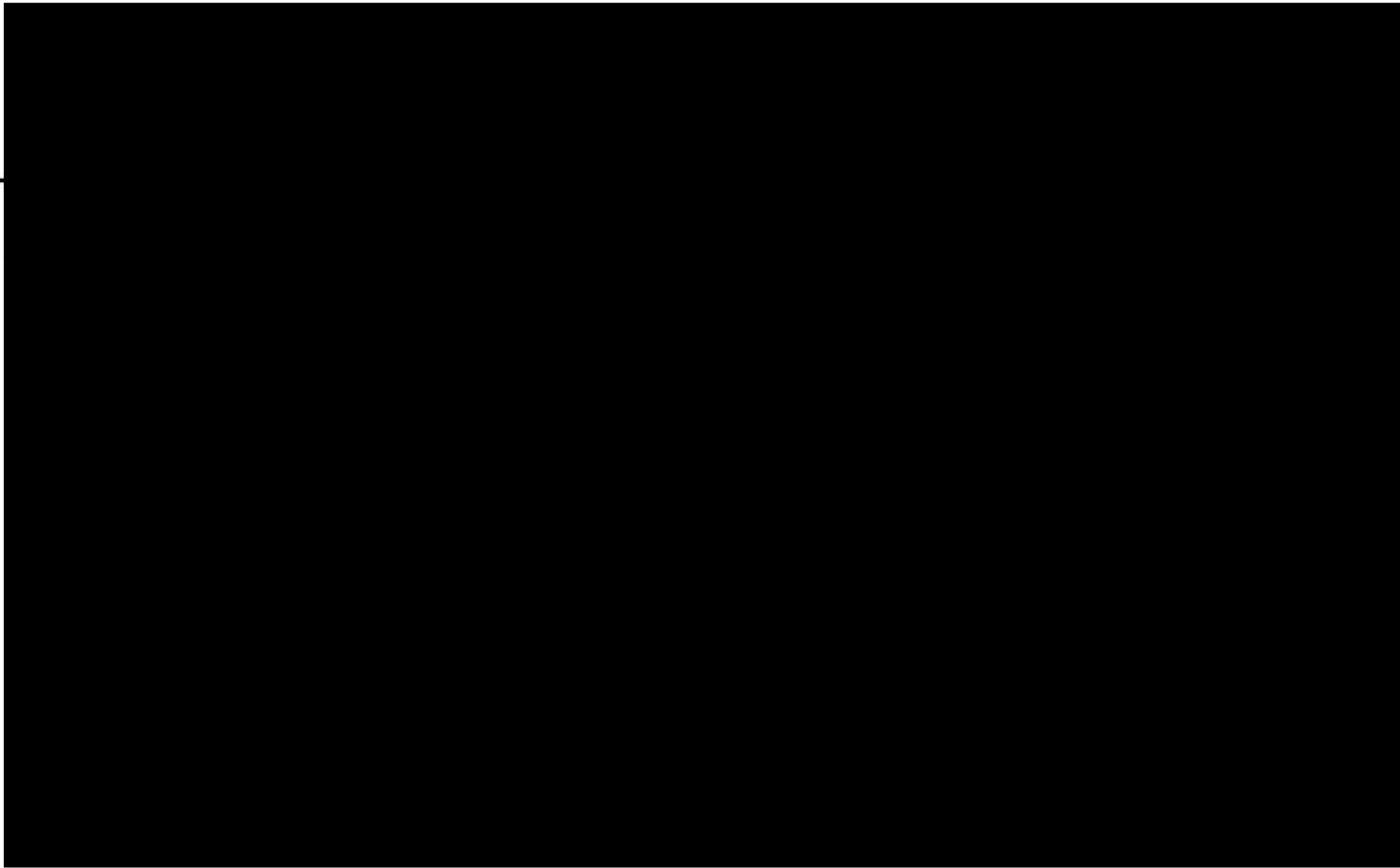
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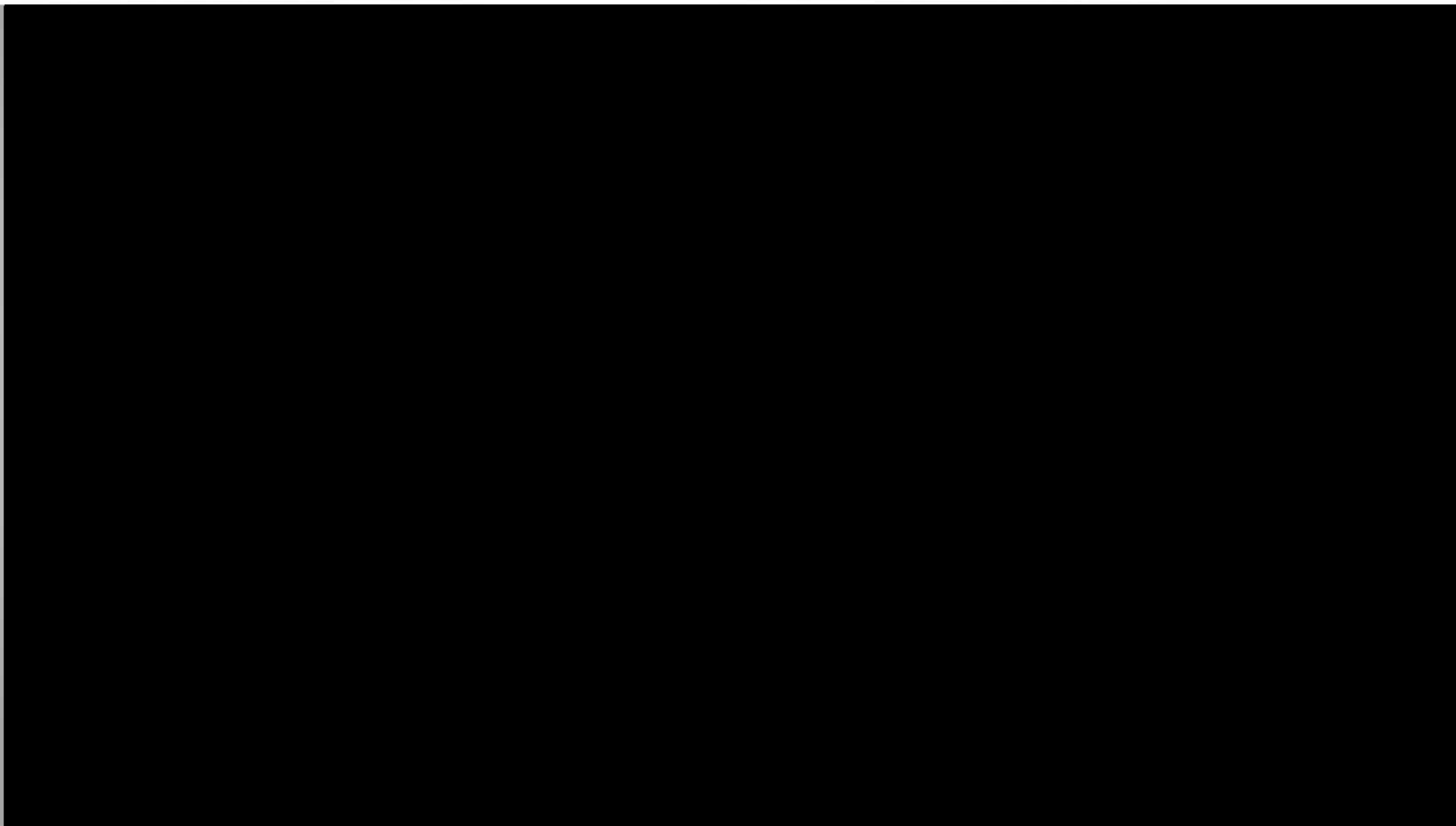
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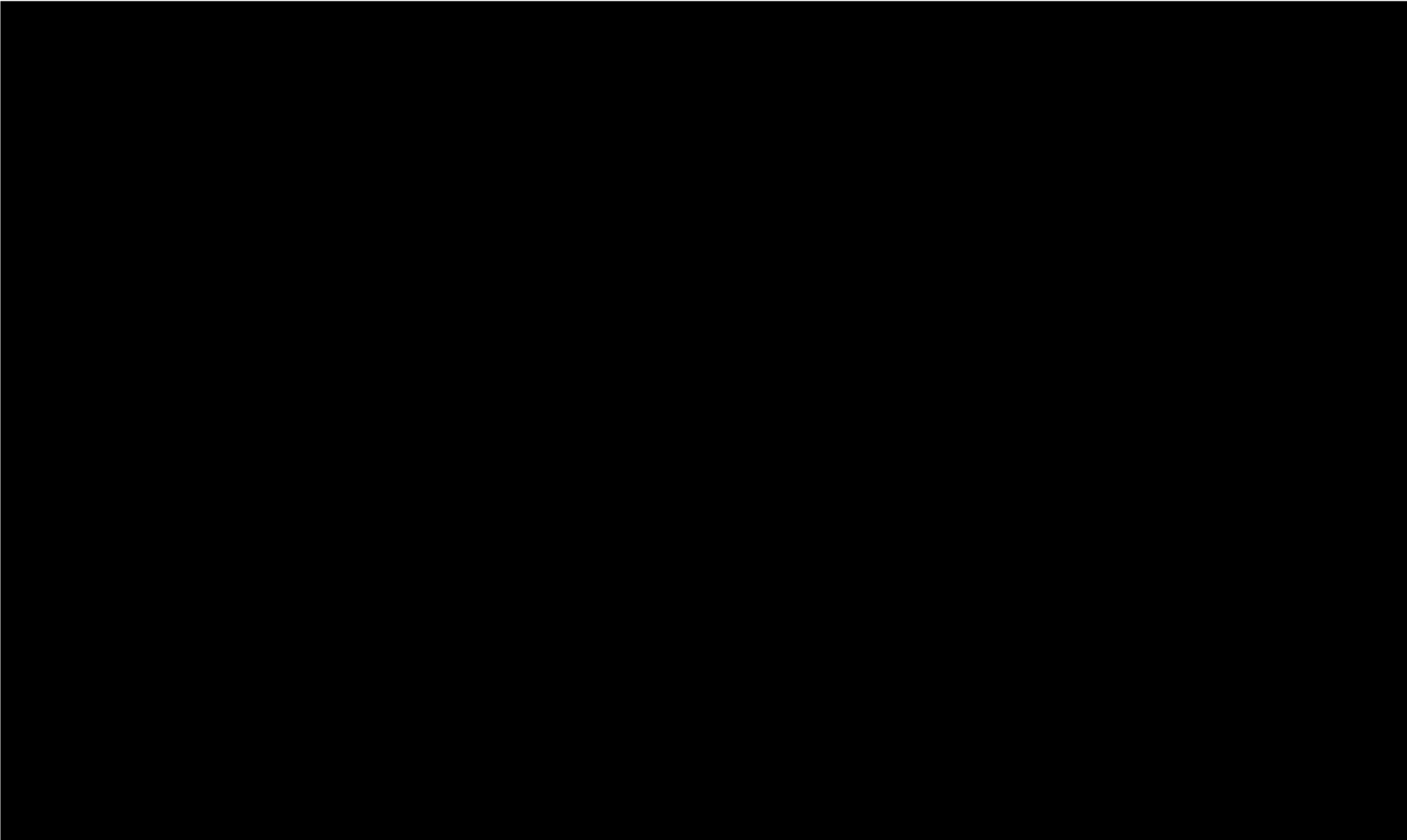
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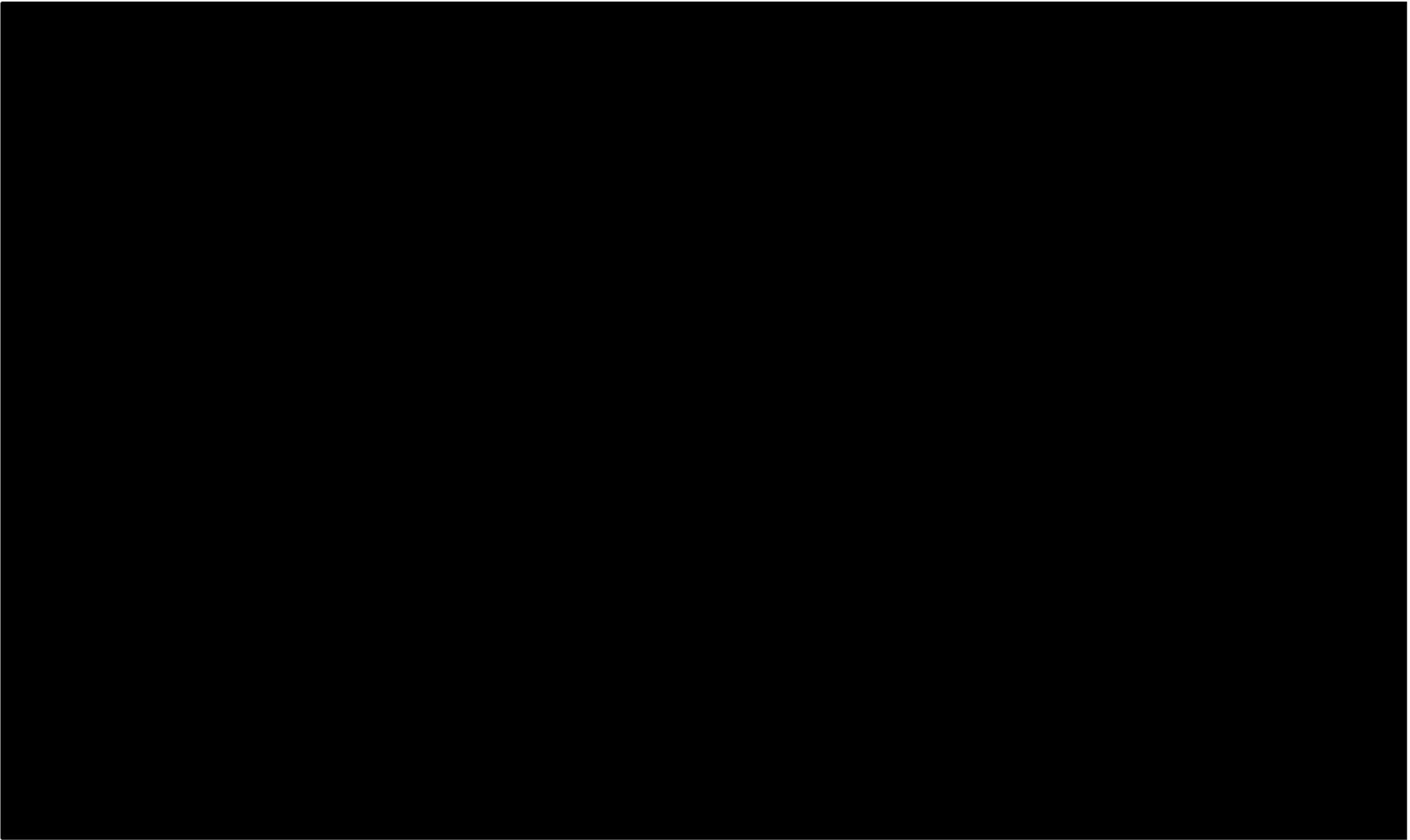
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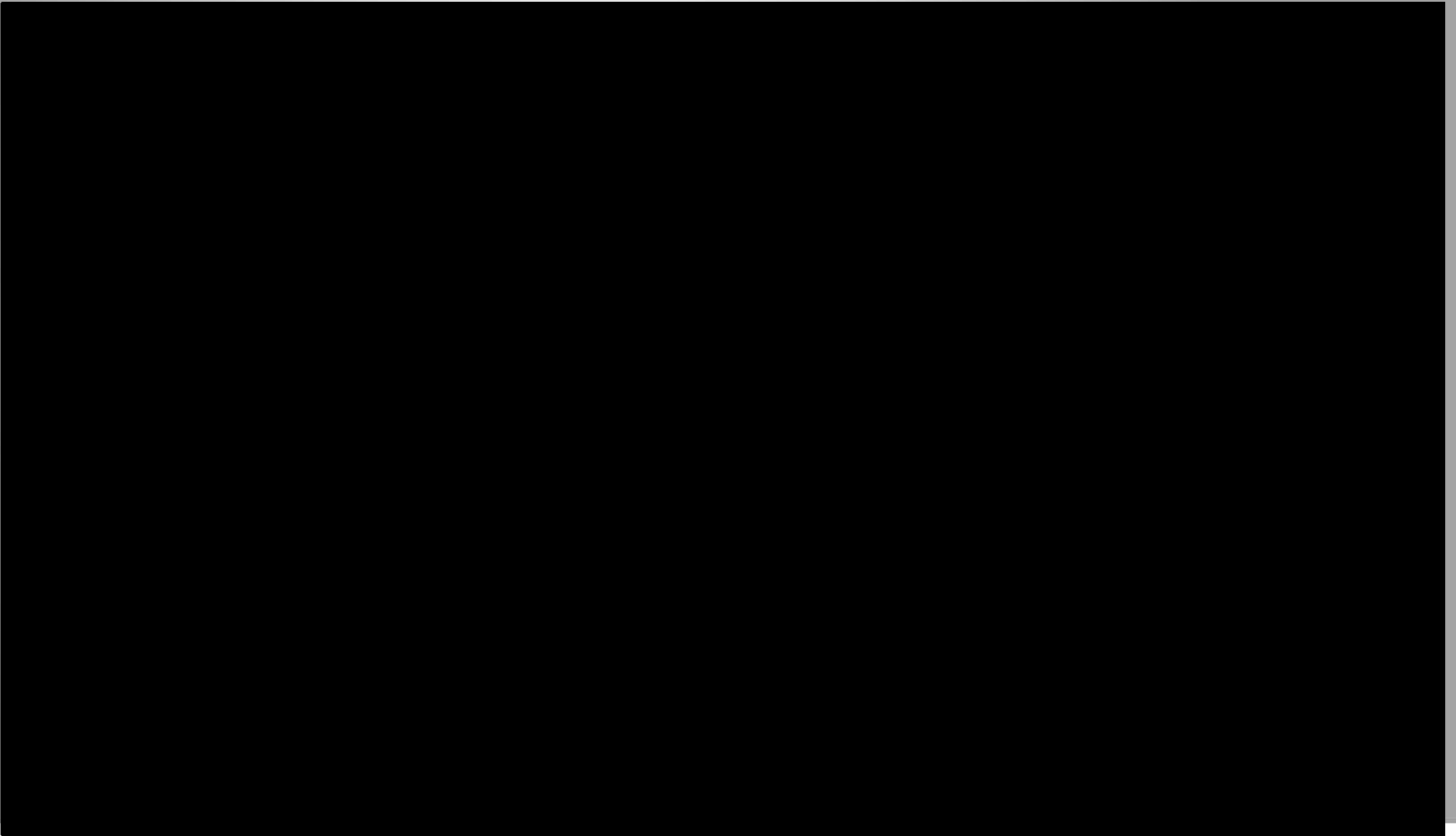
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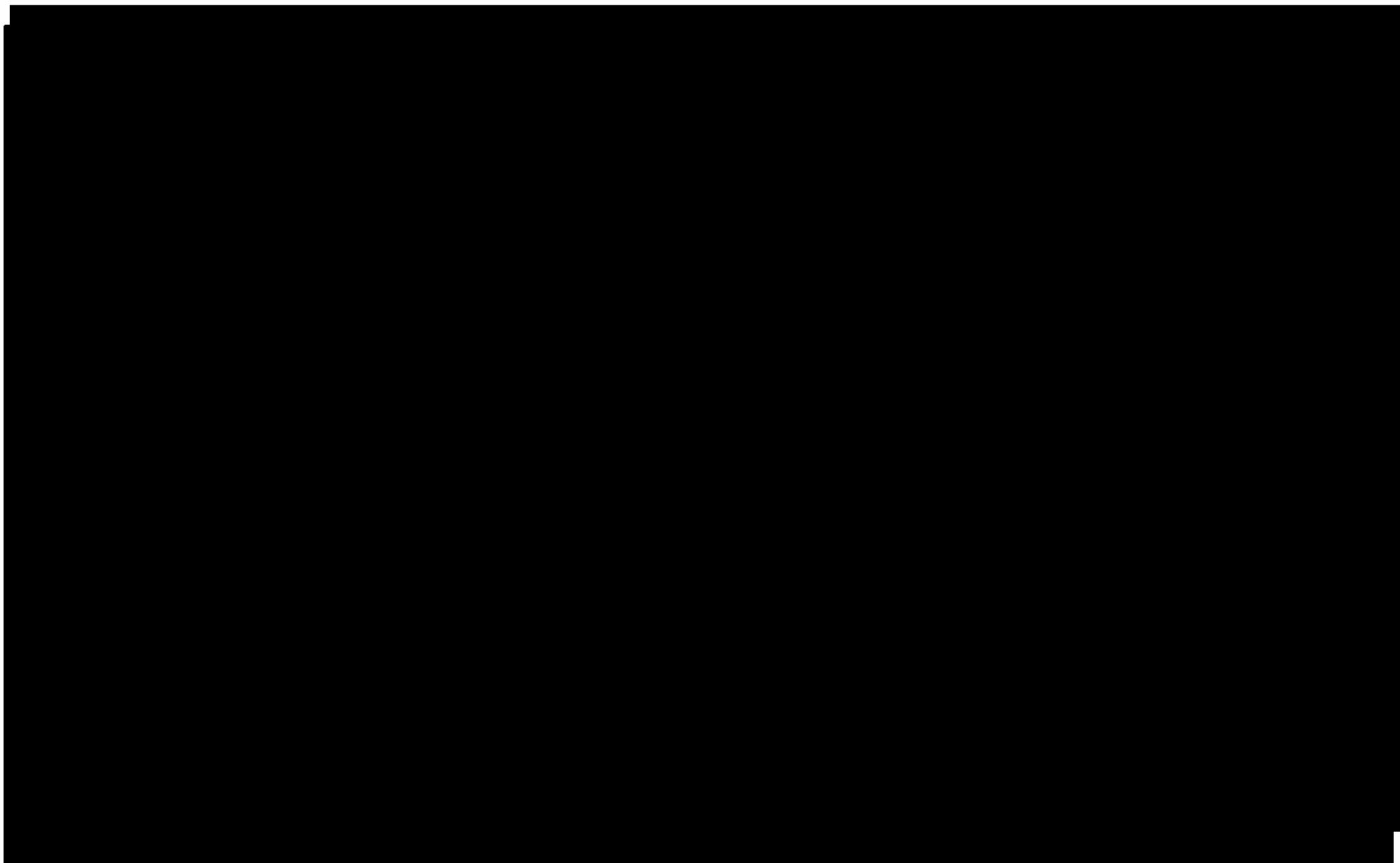


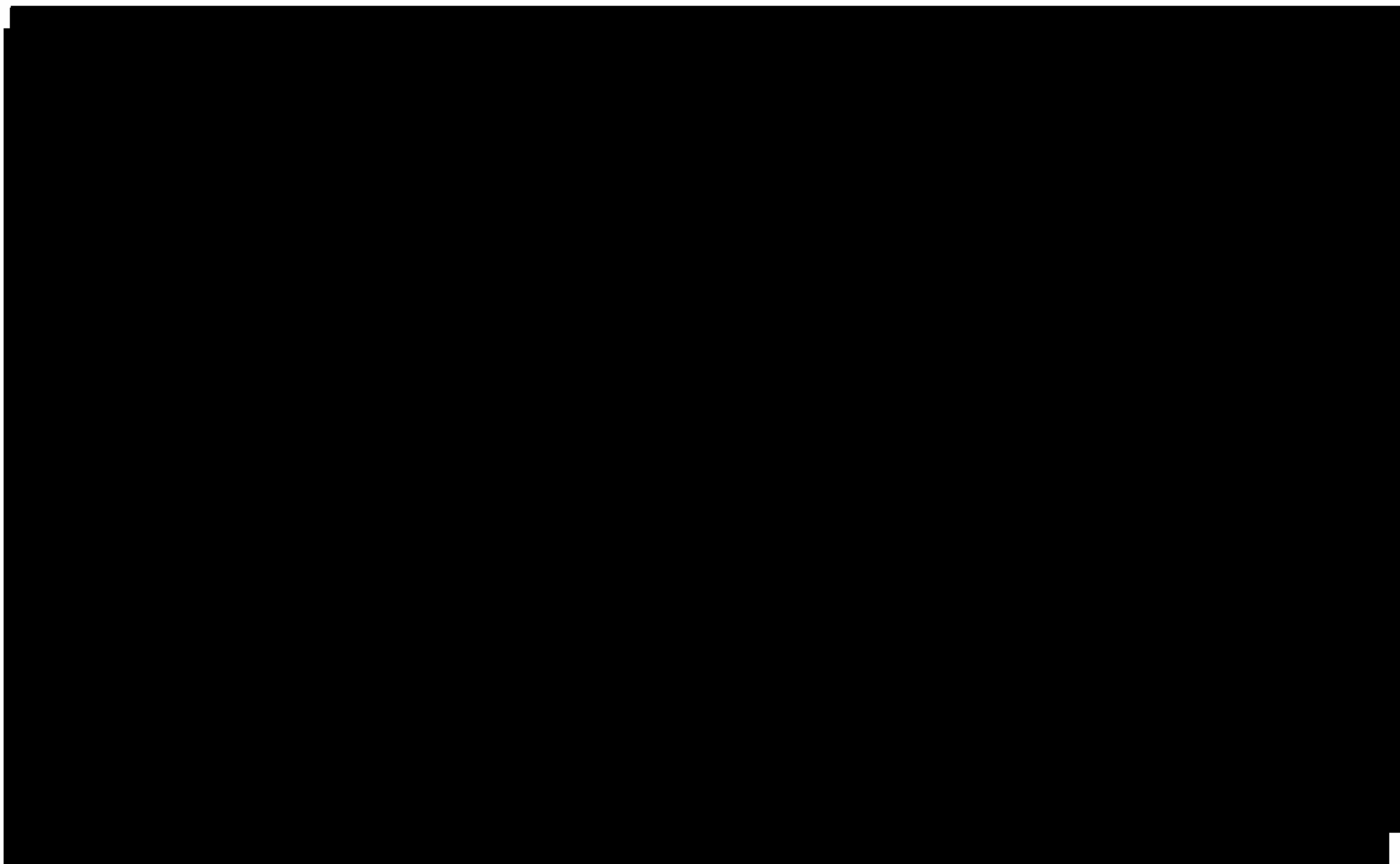












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Local News / Local Business

Thousands of spinoff jobs expected from VW's St. Thomas electric battery plant

A new Volkswagen automotive manufacturing plant in St. Thomas may bring supplier plants and industries with it, creating an additional 5,000 jobs, the president of the Automotive Parts Manufacturing Association says.

Norman De Bono

Published Mar 14, 2023 • Last updated Mar 15, 2023 • 4 minute read

 26 Comments



An ID Buzz van of German car giant Volkswagen (VW) is seen in the showroom during the company's annual press conference to present the business report, on March 14, 2023, in Berlin. Volkswagen is planning to invest 122 billion euros (\$130 billion) in the shift towards electric vehicles over the coming years. (Photo by JOHN MACDOUGALL/AFP via Getty Images)

A new Volkswagen automotive manufacturing plant in St. Thomas may bring supplier plants and industries with it, creating an additional 5,000 jobs, the president of the Automotive Parts Manufacturing Association says.

STORY CONTINUES BELOW



The German automaker's investment in an electric vehicle battery maker is expected to employ 2,000 to 3,000 when it opens in 2027, said officials with knowledge of the plant that was announced Monday by the company.

But that just may be the start, Flavio Volpe, president of the Automotive Parts Manufacturing Association, said.

“The investment by VW helps to bolster the business case for suppliers to locate and invest in the region,” he said Tuesday. “I expect the new business will create approximately 5,000 new jobs in the supply chain in the region.”

Those suppliers will likely be Tier 1, meaning they will supply the assembly plant directly, with Tier 2 suppliers producing parts and goods to larger suppliers that will sell to Volkswagen.



STORY CONTINUES BELOW

Existing established suppliers, such as Magna that has two plants in St. Thomas, may also land work supplying the automaker or some of its suppliers.

“London and St. Thomas are well positioned to secure the bulk of the new capacity. The ability and availability of the local workforce was of particular interest to VW,” Volpe said.

PowerCo SE, the battery division of VW, is expected to begin electric vehicle battery production at its newest “gigafactory” in St. Thomas in 2027. The plant will be built on a section of a 600-hectare (1,500-acre) plot of land assembled in St. Thomas for large manufacturing investment.

VW and municipal officials did not release details on the value of the investment or the scale of the plant.

STORY CONTINUES BELOW

“What we can confidently say is that a battery plant needs components supplied like an assembly plant,” Volpe said. “These are large, high volume parts like tray and thermal management systems. They will all follow just-in-time principles, so sourcing would bias closer capacity.”

EV manufacturers will create a new supply chain, offering work that cannot be done solely by existing traditional suppliers, he said.

RECOMMENDED FROM EDITORIAL



'Huge': St. Thomas lands VW electric battery plant, more than 2,000 jobs

Since Windsor landed the 2,500-job [NextStar Energy EV battery plant](#) – a partnership between Stellantis and LG Energy Solution Ltd. – about a year ago, it already has attracted one 300-job supplier plant and another is in the approval process, said Jelena Payne, commissioner of economic development and innovation with the city of Windsor.

STORY CONTINUES BELOW

“We field inquiries from the supply chain on a weekly basis. We are definitely seeing a lot of suppliers coming in, we are having a lot of conversations,” she said.

The one approved supplier makes casing for batteries.

“It is a whole new supply chain network, but there are opportunities for some existing suppliers to grow.”

St. Thomas Mayor Joe Preston said the size of the plant will be revealed at a later date, but he and the federal Minister of Innovation, Science and Industry described the VW plant as historic.



St. Thomas Mayor Joe Preston, flanked by Progressive Conservative MPP Rob Flack and Conservative MP Karen Vecchio, said the new Volkswagen electric battery plant in St. Thomas "will be the largest automobile facility in Canada." Photograph taken Monday, March 13, 2023. (Mike Hensen/The London Free Press)

"This will be the largest automotive facility in Canada, ever," said Preston. "This is about as good as it gets. We have secured the future of St. Thomas, it does not have to look back again. This is a day we will remember."

STORY CONTINUES BELOW

He agreed the supply chain will grow, to feed the VW investment.

“Feeder plants will certainly come here or near here.”

VW chose St. Thomas over 40 competing sites in the U.S. because it had a large land parcel ready for building, is close to mineral supplies such as cobalt and lithium in northern Ontario and has a clean energy supply and manufacturing workforce.

The federal government also offers incentives for battery investment.

In August, VW and Mercedes Benz signed a memorandum of agreement, referred to as a “battery material co-operation agreement” with Canada for access to lithium, nickel and cobalt, minerals critical for battery production.

Volkswagen has a target to build six large battery cell factories in Europe by 2030 with a capacity of around 240 gigawatt-hours, in addition to the St. Thomas site.

STORY CONTINUES BELOW

The land in St. Thomas is already being cleared and prepared for construction, including demolishing buildings.

"These will be good jobs, high-paying jobs, tech jobs. It means quality of life in St. Thomas," Preston said.

"There will be two to three million people coming to Ontario during the next 10 years and we will get the fair share of them."

VW said its St. Thomas plant will have initial capacity of 20 gigawatt hours.

The plant will be located on a site bounded by Highbury Avenue, Ron McNeil Line, Yarmouth Centre Road and the railway line north of Talbot Street in east St. Thomas.

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Thousands of spinoff jobs expected from VW's St. Thomas electric battery plant | London Free Press

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Adam D.H. Chisholm LSO# 56736M



News / Local News

Entegrus preparing to meet future demand for electric vehicles

Ellwood Shreve

Published Mar 16, 2022 • 2 minute read



THE BEACON HERALD

emissions by 2035. Ellwood Shreve/Postmedia SunMedia

A growing interest in electric vehicles – due to skyrocketing gas prices, coupled with a federal government mandate calling for all new cars, light-duty vehicles and passenger trucks sold by 2035 to have zero emissions – has prompted Entegrus to take action to be prepared.

STORY CONTINUES BELOW



**UPGRADE YOUR
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Entegrus Inc. president and CEO Jim Hogan said three years ago a customer survey by the utility found low interest by respondents to own an electric vehicle.

However, the response changed significantly during a 2021 customer survey.

Hogan said about 40 per cent of Entegrus customers indicated they are seriously looking at an electric vehicle.

He said the utility, of which Chatham-Kent is a majority shareholder, is doing two things to support the arrival of more electric vehicles in the future.

“We need to make sure we have a modern distribution system,” Hogan said.

THE BEACON HERALD

Entegrus has already been reinvesting in its system for a number of years to modernize it, Hogan said.

STORY CONTINUES BELOW

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“Much of our distribution system was built in the 1950s,” he added.

He said wire is being upgraded to be able to handle more electricity going through it. He added more or and larger transformers are also needed to handle the anticipated increase in demand for electricity.

“It’s just doing all those things that will ensure more electricity can be delivered to our customers,” Hogan said.

However, he said the system upgrade is not being done just for the arrival of electric vehicles, but to benefit all customers.

“We’re going to have a modern system it’s going to be more reliable.”

THE BEACON HERALD

are getting the best value for their rates.”

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Federal Transport Minister Omar Alghabra announced late last June that all new cars and light-duty trucks sold in Canada by 2035 will be zero emission.

“Let me just say, our target is ambitious, undoubtedly, but it is a must,” Alghabra said. “We believe that it’s doable. It needs determination. It needs focus. It needs effort.”

Hogan said Entegrus is seeking funding from Natural Resources Canada to help commercial and industrial operations served by the utility install electrical chargers.

“We’re not going to do the investments directly, but we’re going to do a lot of things to help our customers make those investments,” he said.

Hogan said the funding won’t do anything for the local electrical system; it just gets money into the hands of commercial and industrial customers to put

THE BEACON HERALD

VIEW ON THE STRATFORD BEACON HERALD

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