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October 28, 2025

DELIVERED BY EMAIL AND RESS

Ritchie Murray
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray

Re: PUC (Transmission) LP by its General Partner PUC (Transmission) GP Inc. (“PUC Transmission”) - Application for Approval of a Transmission Connection Procedures

We are legal counsel to PUC Transmission, a licenced Ontario electricity distributor (ET-2021-0088). PUC Transmission submits this application for approval of its transmission connection procedures in accordance with Schedule 2 of PUC Transmission’s transmission licence and the requirements set out in sections 6.1.3 to 6.1.6 of the Transmission System Code.

PUC Transmission requests that the OEB proceeds without a hearing pursuant to section 6(4) of the *Ontario Energy Board Act, 1998*.

Please do not hesitate to contact us should you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Z. Thoms'.

Zoë Thoms

ZT/

Cc: Dominic Parrella, PUC Transmission

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, C.S.O. 1998, c. 15 (Sched. B) (the “**Act**”);

AND IN THE MATTER OF an application by PUC (Transmission) LP by its General Partner PUC (Transmission) GP Inc. (“PUC Transmission”) for an Order made in accordance with Section 2 of PUC Transmission’s electricity transmission licence (ET-2021-0088) and the requirements set out in Section 6.1.3 to 6.1.6 of the *Transmission System Code*, approving its Transmission Connection Procedures.

I. INTRODUCTION

1. PUC (Transmission) GP Inc. is an Ontario corporation and the general partner of PUC (Transmission) LP, an Ontario limited partnership. PUC (Transmission) LP by its general partner PUC Transmission GP Inc. (“**PUC Transmission**” or the “**Applicant**”) holds an electricity transmission licence (ET-2021-0088) (the “**Transmission Licence**”) from the Ontario Energy Board (the “**Board**” or “**OEB**”).¹
2. PUC Transmission requests approval of the transmission connection procedures in accordance with Section 2 of PUC Transmission’s Transmission Licence and the requirements set out in Section 6.1.3 to 6.1.6 of the *Transmission System Code* (“**TSC**”) (the “**Transmission Connection Procedures**”). A copy of the Transmission Connection Procedures is attached as “**Appendix A**”.

II. APPROVAL OF TRANSMISSION CONNECTION PROCEDURES

3. Pursuant to sections 6.1.3 to 6.1.6 of the TSC, as an electricity transmitter, PUC Transmission is required to file Transmission Connection Procedures with the OEB for processing requests to connect or modify connections to its transmission system.
4. Schedule 2 of PUC Transmission’s Transmission Licence includes a temporary exemption from section 6.1.3 of the TSC until December 31, 2025, or on the date that the Board approves the Transmission Connection Procedures, whichever is earlier:

¹ ET-2021-0088. EB-2025-0094, Decision and Order, April 10, 2025.

The Licensee is exempt from section 6.1.3 of the Transmission System Code as per the Board’s Decision and Order in EB-2025-0094. This exemption expires on December 31, 2025 or on the date that the Board approves the Licensee’s Transmission Connection Procedures, whichever is earlier.²

5. On August 19, 2025, PUC Transmission received OEB approval of security deposit procedures (the “**Security Deposit Procedures**”), a subset of the Transmission Connection Procedures.³ PUC Transmission now seeks approval of the balance of its Transmission Connection Procedures. The Security Deposit Procedures are included in the Transmission Connection Procedures for the sake of completeness. PUC Transmission is not seeking any changes to the previously approved Security Deposit Procedures.
6. PUC Transmission prepared the Transmission Connection Procedure in accordance with the provisions of the TSC and with reference to precedents of previously approved transmission connection procedures. Attached as “**Appendix B**” is a reference table reflecting the OEB-approved precedents that inform the Transmission Connection Procedures.
7. PUC Transmission requests that copies of all documents filed with or issued by the OEB in connection with this Application be served on the Applicant and its counsel as follows:

<p><u>Applicant:</u></p> <p>Dominic Parrella Tel: (705) 941-8386 Email: dominic.parrella@ssmpuc.com</p>	<p><u>Applicant’s Counsel:</u></p> <p>John A.D. Vellone Tel: (416) 367-6730 Facsimile: (416) 367-6749 Email: jvellone@blg.com</p> <p>Zoë Thoms Tel: (416) 367-6661 Facsimile: (416) 367-6749 Email: zthoms@blg.com</p>
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III. REQUESTED RELIEF

8. PUC Transmission requests:

² ET-2021-0088. EB-2025-0094, Decision and Order, April 10, 2025, p. 2-4.

³ EB-2025-0193, Decision and Order, August 19, 2025.

- a. Approval of the Transmission Connection Procedures in the form attached as Appendix A;
- b. That the Board consider this application without a hearing, pursuant to section 6(4) of the Act; and
- c. That the Board grant an extension of the exemption from section 6.1.3 of the TSC under section 2 of the Transmission Licence in the event that the OEB requires additional time beyond December 31, 2025, to consider this application.

All of which is respectfully submitted.

Dated at Toronto, Ontario, this 28th day of October, 2025.

**PUC (TRANSMISSION) LP by its
GENERAL PARTNER PUC
(TRANSMISSION) GP INC.**

By its counsel, Borden Ladner Gervais LLP



Zoë Thoms

Appendix “A”

Transmission Connection Procedures

PUC (TRANSMISSION) LP



CONNECTION PROCEDURES

Date: October 24, 2025



Transmission Connection Procedures

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1. Transmission Connection Process

1.1. Introduction

Section 6.1.3 of the Transmission System TSC (the **TSC**) issued by the Ontario Energy Board (the **OEB**) requires an Ontario licensed transmitter to publish its connection procedures on its website and to make those connection procedures available upon request. Section 6.1.4 of the TSC requires that a transmitter's connection procedures referred to in section 6.1.3 shall include the following:

- a) a procedure for determining the total normal supply capacity of a connection facility ;
- b) an available capacity procedure;
- c) a security deposit procedure;
- d) a customer impact assessment procedure;
- e) an economic evaluation procedure;
- f) a contestability procedure;
- g) a reconnection procedure;
- h) a dispute resolution procedure;
- i) an obligation on the transmitter to provide a customer with the most recent version of the Regional Infrastructure Plan or Integrated Regional Resource Plan referred to in section 3C of the TSC, if any, that covers the applicable portion of its transmission system;
- j) a schedule of all charges and fees that may be charged by the transmitter and that are not covered by the transmitter's Rate Order; and
- k) reasonable timelines within which activities covered by the procedures referred to in paragraphs (a) to (g) and (i) must be completed by the transmitter or the customer, as applicable, including typical construction times for facilities.

PUC (Transmission) LP (**PUC Transmission** or **PUC**) developed these connection procedures to meet the direction provided in the TSC. In the event of a conflict between these connection procedures and the TSC, PUC's transmission licence or regulatory codes issued by the OEB, or the *Electricity Act, 1998*, and its regulations, the TSC and associated regulatory codes, statutes and regulations shall prevail.

1.2. Process Overview

PUC Transmission has documented this transmission connection process to provide connection applicants (the **Applicants**) with an outline of the steps involved for processing requests to connect to its transmission system or to modify existing connections. This document includes references to forms under the different steps of the process. The forms are available on PUC's website at www.PUCTransmissionLP.com.

In accordance with the Market Rules, anyone planning to establish or modify a connection to the IESO-controlled grid must obtain approval through the IESO's Connection Assessment and Approval (**CAA**) process. Through the CAA process the IESO assesses the impact of new or modified connections on the IESO-controlled grid. For complete details of the IESO's CAA process, refer to the IESO's "Market Administration Manuals, Part 1.4: Connection Assessment and Approval."

PUC’s transmission connection process is separate from the IESO’s CAA process. However, the two organizations work together with Applicants to process applications. The CAA is initiated once an Applicant requests a connection to PUC’s facilities. The applicant may elect to have a connection feasibility study carried out by its own consultants or the IESO to identify general issues and concerns associated with a connection proposal that may affect its feasibility and to assist in defining the preferred connection alternative and arrangement of facilities at the transmission point of connection. PUC may also be retained, at cost, to carry out a connection feasibility study prior to initiating the transmission connection process.

All Applicants that register with the IESO for the CAA process must also register with PUC to estimate the cost and to schedule the resources needed to complete the connection to the PUC transmission system.

PUC’s overall transmission connection process is summarized in Figure 1 and Table 1 below.

Figure 1: PUC Transmission Connection Process

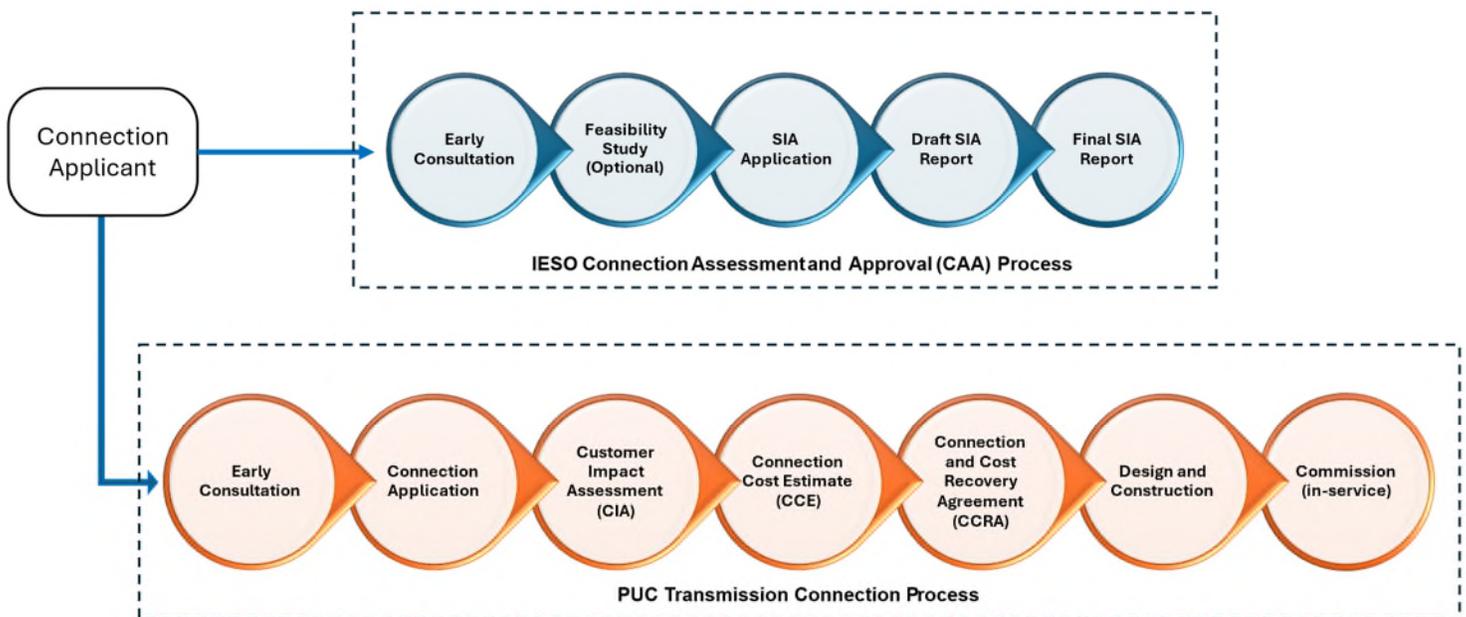




Table 1: PUC Transmission Connection Process

Early Consultation	Connection Application	Customer Impact assessment (CIA)	Connection Cost Estimate (CCE)	Connection and Cost Recovery Agreement (CCRA)	Design and Construction	Commission (in-service)
<ul style="list-style-type: none"> Clarify the nature and scope of the Applicant’s connection needs 	<ul style="list-style-type: none"> Apply for New or Modified Tx Connection Clarify Information Provide Initial Consultation & Preliminary Advice Provide relevant Tx System Plans Proceed with Project? Determine if project is Materially Impactive Define Project Scope & Proceed in Parallel with IESO-CAA 	<ul style="list-style-type: none"> Determine if CIA Required Execute CIA Study Agreement Carry out CIA Execute Preliminary Engineering Agreement Issue Draft CIA Report for Comment Issue Final CIA Report 	<ul style="list-style-type: none"> Request Connection Estimates Agree on Estimate Scope of Work Execute Pre-CCRA Long Lead Items Agreement Review Customer Connection Electrical Design Package Determine Contestable & Uncontestable Connection Work Issue Technical Standards & Determine Project Costs Determine Customer Capital Contribution Requirements Submit Connection Estimates & Other Required Information Decide on Connection Facility Ownership 	<ul style="list-style-type: none"> Provide Mandatory Pre-requisites to Proceed with Connection Complete CCRA Receive Security Deposit(s) Execute CCRA Acquire Necessary Regulatory Approvals (i.e. MOE, OEB, ESA, Easements/Property, etc.) Modify Connection to Accommodate Regulatory Approvals, as Appropriate Initiate Connection Agreement Negotiations 	<ul style="list-style-type: none"> Award Work Use Technical Standards & Commissioning Requirements Provided by PUC Confirm Requirements & Deliverables Complete Detailed Engineering & Project Design Procure Equipment & Materials & Obtain Construction Approvals Construct Facilities 	<ul style="list-style-type: none"> Finalize Connection Agreement Commission PUC Facilities Submit Customer Commissioning Plan 30 Business Days in Advance Commission Customer Built Facilities Transfer Customer Built Facilities to PUC Ownership, as Appropriate Revise CCRA Based on Actual Connection Costs Submit As-Built Prints Manage CCRA & Connection Agreement

Step 1: Early Consultation

All potential Applicants are encouraged to request an Early Consultation Meeting (**ECM**) with PUC well in advance of submitting an application to PUC. The purpose and objective of the ECM is to clarify the nature and scope of the Applicant's connection needs and to provide the Applicant with relevant information including the following:

- a single line diagram illustrating the transmission facilities in the area;
- equipment ratings and their available capacity to incorporate the proposed connection;
- information on approved transmission projects in the area that may impact the connection;
- an assessment of whether the proposed connection materially impacts PUC's transmission system based on IESO criteria for an Expedited System Impact Assessment; and
- an overview of PUC's transmission connection process.

Step 2: Connection Application

Following the ECM and assuming the Applicant wishes to proceed with PUC's connection process, the Applicant will complete and submit PUC's Connection Application Form to initiate the transmission connection process. The application form is available at <<insert link>>.

PUC will review and assess the Applicant's application to ensure all required information is provided. Once application completeness is confirmed, PUC will arrange for an Initial Project Review (**IPR**) meeting with the Applicant, in which, PUC may discuss the following:

- the transmission system in relation to the proposed connection;
- identify any issues related to the Applicant's proposal;
- provide the Applicant with information on any pertinent transmission projects in the area that may impact the Applicant's request; and
- If applicable, and in accordance with requirements of section 6.1.4(i) of the TSC, provide the Applicant with the most recent version of the Regional Infrastructure Plan or Integrated Regional Resource Plan referred to in section 3C of the TSC, if any, that covers the applicable portion of the transmission system.

The Applicant shall provide any missing information or clarification of submitted information to PUC upon request. If specific information cannot be provided, the Applicant may propose suitable typical values to be used by PUC in carrying out the required Customer Impact Assessment (**CIA**) described further below in Step 3. It is the responsibility of the Applicant to ensure that its facility is designed and constructed in accordance with values that are acceptable to PUC and the IESO.

Following the IPR meeting, the Applicant must inform PUC in writing if they wish to either: a) proceed with Step 3 – Customer Impact Assessment; b) to modify the connection application; or c) to withdraw the connection application.

Step 3: Customer Impact Assessment

A **CIA** may be required for any new or modified connection to PUC's transmission facilities. In accordance with the TSC Section 6.4, PUC will undertake a CIA study for all cases where:

- a) the IESO's CAA process requires a System Impact Assessment (**SIA**); or
- b) PUC determines that the connection may have a material impact on existing customers.

The scope of the CIA will be project-specific, depending on the complexity of the connection project and the extent of its impact on other transmission customers

Where the IESO's CAA process triggers an SIA, the CIA procedure is mandatory. Where no SIA is required by the IESO, PUC may waive the requirement for a CIA study if the PUC determines during its preliminary review that the new or modified connection will not materially impact other transmission customers. PUC may consult with the IESO prior to waiving the requirement for a CIA study. In cases where the requirement for a CIA study is waived, PUC will notify existing customers, advising them of the proposed new connection or modification and of the PUC's decision not to carry out a CIA on the basis that no material customer impact is expected.

In general, a CIA study may not be required for the following types of connection proposals:

- Like-for-like replacement of existing connection facilities where there is no connectivity change on the transmission system.
- Transmission connection facilities where:
 - no generation is being added;
 - there is no significant change in system impedance;
 - the load does not include significant reactive power requirements such as those associated with large motors, furnaces or other similar facilities; and
 - there is no significant configuration change (e.g. adding in-line breakers, additional breaker diameters), particularly any such changes that may trigger other customers to modify their protections.
- Addition of feeder breakers at system voltages less than 50 kV.

Step 4: Connection Cost Estimate

Written Request for Connection Cost Estimate

The Applicant may request in writing for PUC to prepare an estimate of the connection costs. For load Applicants, an economic evaluation will also be performed to determine the Capital Contribution required by the Applicant as described below in section 2.5, in accordance with TSC section 6.5.

In the written connection cost estimate request, the Applicant must indicate specifically which of the following scenarios should be used to prepare the estimate:

- a) the Applicant designing (in accordance with PUC's specifications), constructing and owning the new or modified connection assets external to PUC's existing facilities; and/or
- b) PUC designing, constructing and owning the new or modified connection assets, with the Applicant maintaining the right to perform the detailed design and construction of all the contestable work, if it so chooses, and transferring the connection assets to PUC. In this case PUC will implement the Contestability Procedure set out in section 2.6 to determine which work is contestable and which is uncontestable.

Upon receipt of an Applicant's written request, PUC will identify the information required from the Applicant to initiate preparation of connection cost estimates as well as a draft Connection Cost Estimate Agreement. The required information will include at least the following:

- 1) Details of the connection requirements including:
 - general arrangement and site plan;
 - single line diagram showing all equipment specifications, proposed connection to PUC's system, protection elements and main isolating devices; and
 - equipment, protection and operating philosophy and tripping matrix;
- 2) Estimated scope of work required by the Applicant;
- 3) Level of cost estimate accuracy required by the Applicant. Initial estimate accuracy is typically +/- 30%; and
- 4) High level project schedule indicating target in-service date.

The Applicant will provide an electronic copy of the electrical information identified above. PUC will review the Applicant's information for the connection interface. If there are changes required to the connection interface, PUC will convey the changes to the Applicant who will make the changes and submit a revised information package.

Connection Cost Estimate Agreement

PUC will provide a draft of the Connection Cost Estimate Agreement (**CCEA**) to the Applicant for review and comment once all required information has been confirmed. Upon agreement on the CCEA terms and conditions, PUC will prepare the final CCEA for signatures and submit it to the Applicant for approval. This agreement describes the scope of work, estimate accuracy and schedule for preparing the cost estimates plus any costs to be recovered from the Applicant, if applicable.

The Applicant will return a signed copy of the final CCEA by the execution date and remit any required deposit in accordance with the final CCEA. PUC will then execute and return a signed agreement to the Applicant. Once executed, PUC will undertake the connection cost estimate in accordance with the CCEA provisions. These estimates will be based on a planning specification developed by PUC after review of the Applicant's electrical design package, SIA and CIA.

Connection Cost Estimate

PUC will determine the cost responsibility for the new or modified connection facilities as follows:

- based on the applicable requirements of the TSC section 6.3 for a generator or storage connection; or
- based on the TSC section 6.3 along with the relevant economic evaluation results for a load connection as set out in section 2.5 – Economic Evaluation Procedure.

For a load connection, PUC will provide a description of what work is contestable and what is uncontestable by the Applicant, in addition to the connection cost estimate, and capital contribution calculation, if requested by the Applicant. See section 2.6 – Contestability Procedure below for further details.

Upon receipt of the connection cost estimate, the Applicant shall advise PUC whether the Applicant will proceed with the proposed connection project or whether additional project work or information is required. PUC will provide any project revisions and additional information at the Applicant's expense and restart this connection cost estimate process at the appropriate point above.

Before proceeding with Step 5 below, a Load Applicant must advise PUC of its selection of one of the following three options regarding the construction and ownership of the contestable work for any elements of the new or modified connection facilities (refer to section 2.6 Contestability Procedure for responsibilities for technical design and construction requirements).

- Option 1. PUC built and owned (pool funded)
- Option 2. Applicant built and transferred to PUC (pool funded)
- Option 3. Applicant built and owned (not pool funded)

Once the Load Applicant indicates to PUC in writing the option it selected above, PUC will then use the appropriate connection cost estimates as inputs to the economic evaluation for determining the Applicant's capital contribution.

For a Generator or Storage Applicant (other than in the circumstances of an enabler facility as defined in section 2.0.28A of the TSC), the connection cost estimates will be used to calculate the fully allocated cost of the minimum design required to meet the Applicant's needs, which the Applicant is required to pay in accordance with section 6.5.1 of the TSC. Where PUC constructs an enabler facility (as defined in section 2.0.28A of the TSC), the fully allocated cost of the enabler facility shall be attributed to Generator or Storage Applicants (as per TSC section 6.3.14A), in accordance with the requirements of the TSC section 6.5.1A.

Step 5: Connection and Cost Recovery Agreement

This step involves negotiating a Connection and Cost Recovery Agreement (**CCRA**) to provide for the performance of and payment for connection work, negotiating a Transmission Connection Agreement (**TCA**) required under the TSC¹ and obtaining the necessary OEB, IESO, Environmental

¹ The TCA shall be in the form set out in the applicable version of the connection agreement set out in Appendix 1 to the Transmission System Code.

Assessment (**EA**), Ontario Electrical Safety Authority (**ESA**) and other authorities' approvals required for connection. Prior to proceeding with the CCRA procedures outlined in section 4.2 below, the following two pre-requisites must be satisfied:

- a) Conditional approval received from the IESO for the new or modified connection; and
- b) Completion of Steps 1, 2 and 3 as outlined above.

If, having completed Steps 1-3 outlined above, the Applicant wishes to proceed with the new connection or modification to an existing connection, the Applicant must submit their request in writing and confirm which of the following shall apply:

- a) the Applicant shall design (in accordance with PUC's specifications), construct and own the new or modified connection assets external to PUC's existing facilities; or
- b) PUC shall design, construct and own the new or modified connection assets, with the Applicant maintaining the right to perform the detailed design and construction of all the contestable work, if it so chooses, and transferring the connection assets to PUC in accordance with section 6.6 of the TSC and section 2.6 of these Connection Procedures.

Based on the agreed scope of work and costs, PUC and the Applicant shall negotiate a CCRA based on PUC's CCRA template for Load Applicants or for Generator/Storage Applicants, as applicable. The CCRA will document the security deposit that is required pursuant section 2.3 Security Deposit Procedure. The CCRA will also form the basis for amending an existing TCA or developing a new TCA with the Applicant.

The Applicant shall return a signed copy of the CCRA to PUC by the execution date including forwarding the security deposit to PUC as specified in the CCRA. PUC will then countersign the CCRA and return a fully executed copy to the Applicant. Full execution of the CCRA, and the provision of any payments or deposits required thereunder, will allow PUC to proceed with detailed design, ordering long lead time equipment and seeking necessary approvals, rights, permits and licences.

In accordance with the terms of the CCRA, the Applicant and PUC will each acquire the necessary regulatory approvals and other permits and rights required for construction. These approvals, permits and rights may include, but are not limited to, EA approvals from the Ministry of Environment, Conservation and Parks, leave to construct approval from the OEB, ESA plan approvals, and easements/property rights.

Modifications to the connection proposal that result from any regulatory permits or approvals or easements/property rights must be reviewed by the IESO and PUC to assess whether the SIA requires an addendum, whether the CIA requires revision, and/or whether any connection estimates prepared under Step 4 require updating.

Step 6: Design and Construction

The Applicant and PUC shall award their respective work to their applicable contractors.

The details of the connection requirements, standards, milestones and deliverables shall be confirmed between the Applicant and PUC based on the CCRA. The connection interface requirements are especially critical, and agreement should be obtained on the detailed design, as soon as practical, on the following aspects:

- i. Interfaces (detailed specifications required) including:
 - line tap to station entrance structures
 - switchyard modifications including breaker upgrades, if required
 - protection changes to Transmitter' terminal stations and others
 - teleprotection
 - SCADA functionality and telemetry quantities
 - telecommunications
 - outage and other operations requirements
- ii. Interface Milestone Schedule
 - Establish milestones for agreed project interface activities and designate responsibilities. These milestones are to be incorporated into the overall project schedule and the CCRA dates should be confirmed or if necessary updated.

The Applicant and PUC will proceed to the detailed design phase. The Applicant shall prepare and submit the connection interface documents in packages as described in detail in the CCRA. The Applicant must ensure that all required documents for each package are provided in a complete and timely manner or the CCRA scheduled dates may be changed, as PUC's review cannot begin until the receipt of all documents within a given package. Requests for review of documents provided by the Applicant in partial packages will increase the Applicant's costs for PUC's design review. PUC's target is to provide comments from the design review to the Applicant within two weeks of receiving each complete document package.

Based on the comments from PUC's design review, the Applicant shall revise the affected connection interface documents and submit revised documents to PUC for final review before construction starts. Delay by the Applicant in providing the revised documents for PUC's final review could result in the need for changes during the construction of the facilities in order to respond to PUC's comments.

The Applicant and PUC's respective contractors shall procure the necessary equipment and materials, obtain the necessary easements/property and receive the necessary construction approvals and permits. The applicable contractors shall then proceed to construct the required Applicant connection facilities as described in the CCRA.

The Applicant and PUC's respective contractors shall develop an integrated outage plan listing all outages that will directly affect PUC's transmission system. PUC will arrange to inform directly affected customers about the outage plan to ensure existing customers are informed of the impacts of outages related to the new connection and have an opportunity to provide input to the outage plan.

The Applicant and PUC shall complete the IESO facility registration process for their respective new or modified facilities. The Applicant's IESO facility registration forms are also used as part of the TCA to be negotiated between the Applicant and PUC.

The Applicant and PUC shall negotiate and sign a TCA prior to commissioning. The Applicant shall send a copy of the signed TCA to the IESO. The TCA and associated schedules shall be in the form set out in the applicable version set out in the TSC at Appendix 1 Version A – Form of Connection Agreement for Load Customers, Version B – Form of Connection Agreement for Generator Customers, or Version C – Form of Connection Agreement for Storage Customers. It is noted that the TCA must be fully executed before the Applicant's facilities are commissioned and placed in-service.

Step 7: Commissioning

New or modified customer connections require thorough inspection, testing and commissioning to mitigate the potential to adversely affect the performance of PUC's transmission system. Inspection, testing and commissioning are carried out on both the Applicant's and PUC's new or modified facilities.

PUC reserves the right to be a participant in the inspection, testing and witnessing of commissioning of the Applicant built facilities and to recover PUC's costs from the Applicant for these activities as per the TSC section 4.3.3.

Commissioning Procedure

The Applicant and its commissioning agent shall develop a commissioning plan (that includes inspection, testing and commissioning activities) for all Applicant-built facilities. The commissioning plan shall be submitted to PUC for review no later than 30 business days (TSC Appendix 1 Schedule E section 1.7.4) prior to beginning commissioning tests. Failure to comply with this timeline could delay the project's in-service date.

Based on the commissioning plan, PUC will inform the Applicant and its commissioning agent which parts of the commissioning plan that PUC will participate in by having PUC's representative present at the Applicant's facilities to witness the commissioning.

The Applicant and its commissioning agent shall perform and complete all commissioning activities on the Applicant-owned facilities. At completion of these activities, the Applicant's commissioning agent shall complete and sign the appropriate Commissioning and Verification Report (**CVR**) Form provided by PUC. Failure to comply with the connection requirements or to pass the required commissioning and verification checks will result in non-connection of the facilities until after any

outstanding issues are resolved. The completed CVRs are to be provided to PUC prior to placing the Applicant's facilities in-service.

The Applicant shall provide copies of all commissioning reports for all the new or modified equipment being placed in-service and listed in the TCA.

Where applicable, in accordance with the Applicant's election in Step 4, applicant-built facilities shall be transferred to PUC. The transfer price shall be the lesser of the Applicant's actual cost or PUC's reasonable cost to do the same work, as per the TSC Section 6.6.2 (g).

Once PUC facilities are commissioned, PUC's commissioning agent completes a Report of Equipment In-Service (REIS) Form for PUC's facilities including any transferred facilities documented above.

For any facilities transferred to PUC the Applicant's contractor shall complete a Transfer of Control Form provided by PUC and the Applicant shall provide the completed form to PUC.

The Applicant shall forward to PUC a copy of the IESO's New Facility Notification Form which indicates the Applicant's facilities are approved for connection by the IESO.

PUC will inform the IESO when the equipment is ready for service based on the documents provided above in combination with a Report for Customer Connection Equipment (**RCCE**) completed by PUC's commissioning agent.

When all the documentation has been provided to PUC, PUC's facilities and the Applicant's facilities can be placed in-service and the witness of on-potential checks and on-load checks can be completed. The Applicant's commissioning agent shall complete and sign the appropriate CVR provided by PUC, as noted above. The completed forms are to be forwarded to PUC.

For a Load Applicant, PUC will update the economic evaluation based on the actual capital costs of the work completed and owned by PUC. PUC will provide the Load Applicant with the revised economic evaluation including an invoice to the Load Applicant, or refund, depending on the revised capital contribution required as per the TSC section 6.5.2, or potentially TSC sections 6.3.18 and 6.3.18A if multiple Applicants triggered the work.

PUC will provide a Generator or Storage Applicant with a final invoice or credit based on the actual capital costs.

The Applicant shall submit to PUC the final as-built interface connection documents as per the CCRA.

The CCRA and TCA are administered throughout their respective terms. With respect to the CCRA, this includes monitoring the factors that are used to manage "true-up" payments for Load Applicants as per the TSC sections 6.5.3 to 6.5.11 and the terms of the CCRA, as well as for providing refunds



to Applicants if capacity is assigned to another customer within fifteen years of the date on which the connection facility comes into service, except in the case of an enabler facility (TSC section 6.3.17) and as per the CCRA.

2. Transmission Connection Procedures

In accordance with the TSC Section 2, Definitions:

“assigned capacity” means, in relation to a load customer and a connection facility, the capacity determined in accordance with section 6.2.2.

“available capacity” means, at a given time, the capacity on a connection facility that is not at that time assigned to a load customer.

"connection facilities" means line connection facilities and transformation connection facilities that connect a transmitter's transmission system with the facilities of another person, and includes an enabler facility but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b).

“contracted capacity” means, in relation to a load customer and a connection facility, the capacity determined in accordance with section 6.2.3.

All references in these procedures to “connection facilities” apply to both transformation connection and line connection facilities unless otherwise noted.

2.1. Total Normal Supply Capacity Procedure

This procedure was developed in accordance with the requirements of section 6.2.7 of the TSC.

“Total normal supply capacity” means the maximum amount of load that can be supplied by a connection facility and is derived from the electrical rating of that facility. Each connection facility is classified as either a summer- or winter-peaking facility. The total normal supply capacity at a connection facility is calculated based on this classification.

Transformation Connection Facility

The total normal supply capacity for a transformation connection facility will be determined as follows:

- Single transformer supply: The total normal supply capacity will be the continuous rating of the subject transformer (i.e. the transformer nameplate rating with full cooling).
- Dual transformer supply: The total normal supply capacity will be the limited time rating (LTR) of the more limiting transformer (assuming loss of the larger one).
- More than 2 transformers supplying a common bus: The total normal supply capacity will be the sum of the 10-day LTR's of the "n -1" (i.e. the number of transformers minus 1) more limiting transformers (assuming loss of the largest one as the worst case).
- The critical season (winter or summer) would be indicated.
- The method applies to 3-phase transformers and single-phase transformers considered as three- phase transformer equivalents.

- Unless otherwise noted, a power factor of 90% is assumed.
- PUC may update the LTR value where new information that impacts the value becomes known.

Line Connection Facility

The total normal supply capacity for a line connection facility will be determined as follows:

- Single circuit supply: The total normal supply capacity will be the more limiting of the continuous rating of the subject line or the maximum load that can be supplied while meeting acceptable voltage levels as established by PUC.
- Dual circuit supply: The total normal supply capacity will be the more limiting of the continuous rating of the more limiting circuit or the maximum load that can be supplied with one critical line out of service while meeting acceptable voltage levels as established by PUC.
- The normal connection configuration will be used to determine total normal supply capacity.
- The critical season (winter or summer) will be indicated.
- Unless otherwise noted, a power factor of 90% is assumed.

The total normal supply capacity at a connection facility will be provided to customers as part of the available capacity notification (see section 2.2 – Available Capacity Procedure). The information will be made available to customers for their relevant facilities in accordance with the requirements of the TSC.

Applicants are to confirm with PUC that the identified capacity for a particular facility is still valid at any particular point in time, and furthermore, that the figure is suitable to be used for the Applicant's particular application.

The total normal supply capacity at each facility will be updated as required due to changes, additions and removal of facilities. The updated values will be input into PUC's available capacity process, which will initiate a review of the available capacities at the relevant connection facilities. PUC reserves the right to change the total normal supply capacity value at a connection facility at any time where new information impacting that value becomes known.

2.2. Available Capacity Procedure

This procedure was developed in accordance with the requirements of section 6.2.11 of the TSC.

The available capacity at a connection facility is derived from the assigned capacities for all customers at that facility and the facility's total normal supply capacity. As indicated in section 2.1 – Total Normal Supply Capacity Procedure, each connection facility is classified as either a summer or winter peaking facility and hence the available capacity at a connection facility is also calculated based on this classification. The available capacity for a summer-peaking facility is the facility's total normal supply capacity in summer less the total assigned capacity at that facility. Similarly, the available capacity for a winter peaking facility is the facility's total normal supply capacity in winter less the facility's total assigned capacity.

In accordance with Section 6.2.1 of the TSC, PUC shall not assign available capacity on network facilities.

1. Initiation of Process:

The available capacity process for a connection facility is initiated either by an Applicant requesting PUC to assign available capacity to the Applicant or by PUC performing its own internal monitoring of the available capacity at a connection facility:

a. Application

An Applicant requiring additional capacity assignment at a connection facility will submit an application for available capacity to PUC. The application will be specific to a particular connection facility which will be identified in the application.

The Applicant's application shall contain general company and contact information, as well as technical loading and capacity data, including amount of available capacity being requested, anticipated timeframe for the requested capacity, nature of the associated load, and a 5-year load forecast. The load forecast will be for the Applicant's total peak load at the connection facility.

b. Periodic Monitoring of Available Capacity

From time to time as required, PUC will initiate a review of the available capacity remaining at a connection facility to determine if the facility is approaching capacity.

2. Determination of Available Capacity

In this section, the capacity remaining at a connection facility that will be available for assignment to customers will be determined.

a. Identify all customers at a connection facility.

For a given connection facility, all customers at the facility will be identified and listed. In this context, a “customer” will be understood to mean a transmission load customer, as defined in sections 2.0.18 and 2.0.40 of the TSC.

b. Identify contracted capacity for each customer.

A customer’s contracted capacity is identified in the customer’s signed contract (e.g. CCRA). The customer’s contracted capacity for a given year will be understood to mean the load identified for that year in the load forecast associated with the economic evaluation relating to the customer’s CCRA. The capacity will be in units of MW. Unless otherwise noted, a 90% power factor will be assumed.

The customer’s contracted capacity in future years is also included in the CCRA, which includes a summary of the results of the economic evaluation for all years covered in the economic evaluation period (see Section 2.5). The CCRA terminates at the end of the economic evaluation period. The customer will also be required to sign a TCA with PUC, which will continue to be in effect after the CCRA terminates.

c. Identify historical load data for each customer.

For a customer without a signed contract with PUC for capacity at a connection facility, the customer’s assigned capacity will be equal to the customer’s highest rolling 3-month average peak load at that facility as per section 6.2.2 of the TSC. The peak load data will be coincident with the total load for that customer at that facility only. PUC will compile the necessary historical load data and calculate this peak for each customer. This peak represents the customer’s assigned capacity based on historical loading.

The data used will be the customer’s loading under normal operating conditions and exclude any anomalies such as temporary load transfers. The data will include both MW and MVA. In the absence of metering data for line connection facilities, PUC will determine the historic loading on a line connection facility based on historic loading data available for relevant transformation connection facilities. Where PUC reasonably believes that a customer is manipulating its load for the purpose of the determination of its assigned capacity, PUC may request that the OEB review and re-determine that assigned capacity as per section 6.2.2 of the TSC.

d. Identify previous capacity assignments or capacity adjustment.

In addition to a customer’s contracted capacity (where a contract exists) or the customer’s assigned capacity based on historical loading (where no contract exists), any available capacity that has been assigned to a customer and that capacity has not been taken up by the customer within one year of the assignment is subject to cancellation by PUC, except where that capacity is part of a load forecast contained in a contract (e.g. CCRA) as per section 6.2.19 of the TSC.

e. Determine assigned capacity for each customer.

A customer's assigned capacity at a connection facility is by default the customer's assigned capacity based on historical loading, as per section (c) above. However, PUC may apply an adjustment (part (d) above) to the assigned capacity to arrive at an adjusted assigned capacity. The customer's final assigned capacity will be the aggregate of the customer's assigned capacity based on historical loading and any assigned capacity adjustments derived from available capacity that have been assigned to the customer and that have not been taken up by the customer or cancelled under part (c) above. For all subsequent steps and phases, a customer's "assigned capacity" will be understood to mean the customer's final assigned capacity as determined in this step. Once capacity has been assigned to a customer, such assigned capacity will not be re-assigned without the consent of that customer, subject to the cancellation provision in section (c) above.

Assigning capacity at a PUC connection facility is exclusively the role of PUC. A customer with assigned capacity cannot re-assign that capacity. In the event of a change of ownership of facilities from an existing customer to a new customer, PUC will, upon request, re-assign the capacity to reflect the change of ownership.

f. Sum assigned capacities for all customers.

The total assigned capacity at a connection facility is calculated by summing the individual assigned capacities for all customers at that facility. PUC will take into account the normal size and shape of each customer's load, excluding anomalies such as temporary load transfers.

g. Obtain total normal supply capacity of connection facility.

The total normal supply capacity of a connection facility will be obtained from the Total Normal Supply Capacity Procedure and will be in units of MW. Unless otherwise noted, a 90% power factor will be assumed.

h. Calculate available capacity at connection facility.

The available capacity at a connection facility is calculated by subtracting the total assigned capacity at that facility from the total normal supply capacity of the facility. The available capacity will be in units of MW. Unless otherwise noted, a 90% power factor will be assumed. For transformation facilities, the available capacity reflects available transformer capacity only. Other capacity restrictions (e.g. feeder breaker positions) may limit access to the full available capacity of the transformers and will incur a cost to upgrade in order to access the transformers' full available capacity. Furthermore, the transformers' full available capacity may also be limited by feeder configurations.

Where additional feeder breakers are requested by an Applicant, the installation of such equipment does not constitute additional contracted capacity. The Applicant will have cost responsibility for the additional feeder breakers and a capital contribution is required for the full cost of installing the additional feeder breakers.

3. Assess Available Capacity

PUC will assess the loading on a connection facility to determine whether the facility is approaching capacity and assess the need to initiate appropriate measures.

a. Available capacity less than or equal to 25% of total normal supply capacity.

PUC will compare the available capacity at a connection facility with the total normal supply capacity to determine whether there is at least 25% of total normal supply capacity remaining as available capacity at that facility.

In order to conduct this assessment, PUC will reduce the available capacity at the facility by an amount equal to the aggregate of the capacities identified on all customer applications for available capacity at that facility. This will determine whether the available capacity at a connection facility is sufficient to meet all customer requests for additional capacity without causing the loading on the facility to approach capacity.

The loading at a facility is deemed to be approaching capacity if available capacity is less than or equal to 25% of total normal supply capacity. Where the loading at a connection facility is approaching capacity, PUC will conduct the steps outlined in part 4 of this procedure. Where loading is not approaching capacity, PUC will proceed based on whether any customer has applied for available capacity.

b. Customer application for available capacity.

In the case where a customer has applied for available capacity, PUC will assign capacity to that customer as per part 5 of this procedure, based on demonstrated need and prorating of available capacity where required.

4. Implement Available Capacity Assessment

Implementation of the available capacity assessment is intended to ensure that all customers at a connection facility are informed when the loading at a facility is approaching capacity and are provided with a reasonable opportunity to make requests for any remaining available capacity. Where the loading at a facility is approaching capacity, the circumstances under which an expansion study will be initiated will also be established.

a. Notify customers of available capacity remaining at connection facility.

Where the loading at a connection facility is approaching capacity, PUC will notify all customers at the facility in writing that the facility is approaching capacity and that the available capacity procedure has been triggered. PUC will provide this information using a Customer Notification of Available Capacity form. The form will identify the connection facility, the facility's summer/winter classification, total normal supply capacity and available capacity for the current year. Before disclosing this information, PUC will first obtain the consent of each customer at the connection facility to which the information pertains. Where such consent cannot be obtained, PUC may request guidance from the OEB.

b. Process customer applications for available capacity.

Upon notification that PUC's available capacity procedure has been triggered, a customer will have twenty (20) working days to decide whether or not to submit an application for available capacity. Applications received after this period will be considered separately from, and processed after the completion of, the current implementation of the available capacity procedure.

c. Assess capacity needs of each customer applicant.

PUC's assessment of each applicant's capacity needs involves a review of the customer's historical loading, expansion plans, load forecast, and regulatory and other issues.

The required information for confirming customer need for available capacity is as follows.

- The customer must provide all the data specified in the Customer Application for Available Capacity. This includes the customer's forecast of future peak load demand.
- The customer's load forecast (1-5 years) must be in line with its historical usage. If this is not the case, the customer must provide information on specific expansions.
- The customer must provide supporting documentation for its load forecast. Supporting documentation could be a letter from a senior manager or the customer's business plan.
- The customer's expansion plan must be in line with its historical performance, the sector performance, and the general economic outlook for the province of Ontario.
- The customer must identify all government and regulatory issues related to its request for available capacity.

d. Initiate expansion study.

Where PUC deems necessary, customers will be requested to participate in an expansion study. PUC is not restricted to initiating an expansion study in this step of the process only as it may initiate a planning study anytime that it considers it necessary to ensure adequate supply to accommodate the assigned capacities of all customers at a connection facility.

Where PUC proposes to initiate an expansion study on a connection facility, it will notify all customers at that facility and at adjacent facilities, and post on the PUC website, a notice of PUC's proposal to initiate an expansion study at that facility and of the right of each notified customer to apply to PUC in writing to reconfigure any portion of its load to any new facility that may be constructed. PUC will review any such application and negotiate in good faith with the customer to determine the terms and conditions that would govern any such reconfiguration, in accordance with all relevant provisions in the TSC. An expansion study may lead to a customer contract (e.g. CCRA) for a modified or new connection facility. Upon completion of an expansion study, PUC will advise all previously notified customers of the available capacity on all relevant existing and new connection facilities before and after the expansion.

5. Implement Available Capacity Assignment

PUC will assign capacity to each customer based on the customer's need for available capacity unless PUC can demonstrate that the available capacity will not meet the customer's needs.

Where there are more than one Applicant for available capacity at a connection facility, available capacity will be assigned in proportion to the Applicants' demonstrated needs, as per the following criteria:

- 1) The submission date of the Applicant application for available capacity.
- 2) Applicant's confirmed need for available capacity.
- 3) Aggregate of the confirmed needs for all Applicants at a connection facility versus the facility's available capacity. If the total of the confirmed needs is greater than the available capacity, PUC will assign available capacity on a pro-rated basis taking the following into account:
 - a) Criticality of the Applicant need based on the criteria for confirming Applicant need for available capacity.
 - b) Timing for the confirmed need.
 - c) Type of Applicant.
 - d) Extenuating circumstances.

The capacity assignment will be for a fixed amount for a one-year period. Capacity will not be assigned for backup purposes. Assigned capacity will be in units of MW. Unless otherwise noted, a 90% power factor will be assumed.

Once capacity has been assigned to a customer, such assigned capacity will not be re-assigned without the consent of that customer, subject to the cancellation provision in part 6(c) below. Where a customer provides its own connection facility to serve new load, PUC will not assign capacity on the relevant PUC owned connection facility to that customer in relation to the new load as per the TSC.

Assigning capacity at a PUC connection facility is exclusively the role of PUC. A customer with assigned capacity cannot re-assign that capacity. In the event of a change of ownership of facilities from an existing customer to a new customer, PUC will, upon request, re-assign capacity to reflect the change of ownership. The one-year period identified in the cancellation provision of part 6(c) below continues to run regardless of any change in ownership.

Where capacity at a connection facility is assigned to PUC Distribution or any other entity that is a PUC affiliate, PUC will advise all customers at that facility of the capacity assignment. This requirement is regardless of whether such assignment causes the loading at the facility to approach capacity as per section 6.2.13 of the TSC.

6. Implement Capacity Monitoring

In this phase, the available capacity at a connection facility is monitored on an ongoing basis. This involves monitoring the loading at the facility as well as customers' usage of their assigned capacities. Monitoring will be done on an ongoing basis and an available capacity assessment will be performed as required.

a. Maintain records of assigned capacities and available capacity.

PUC will maintain a record of each customer's assigned capacity and the available capacity at a connection facility. Upon request, PUC will provide a customer with the customer's assigned capacity at a connection facility and the available capacity at that facility. To protect confidentiality, only a customer's own assigned capacity will be made available to the customer.

b. Monitor usage of assigned capacity for each customer.

PUC will monitor each customer's monthly peak loads in MW and MVA. PUC will compare the customer's loading with the customer's assigned capacity as required.

c. Extend or cancel any unused assigned capacity.

Where available capacity has been assigned to a load customer and that capacity has not been taken up by the customer within one year of the assignment, PUC will cancel the assignment as per section 6.2.19 of the TSC. This capacity will be treated as available capacity and PUC will notify all other customers served by the connection facility of the cancellation of the assignment. PUC may, upon request, extend the capacity assignment to beyond the one-year period where circumstances warrant. This step does not apply to contracted capacity that is part of a load forecast contained in a contract.

Where unused assigned capacity is extended beyond the one-year period for PUC Distribution or any other customer that is a PUC affiliate, PUC will notify all customers at the connection facility of the extension as per section 6.2.21 of the TSC.

d. Monitor usage of assigned capacity for potential by-pass

Where PUC determines that a load customer has transferred assigned capacity without notifying PUC or the OEB of its intention to by-pass an existing connection facility, PUC will notify all other load customers served by the connection facility that is intended to be bypassed and shall notify the load customer of the revenues lost by PUC on the connection facility in accordance with section 11.2 of the TSC. Where the load customer is a distributor, PUC shall notify the OEB. If the customer does not intend to by-pass PUC's facilities, the customer must notify PUC and the OEB within 30 days of receiving PUC's notification of potential by-pass, that it has no intention of by-passing PUC's connection facility. In addition, the customer will transfer the load back to the existing PUC connection facility within an agreed time period and provide PUC with a payment for the lost revenues in accordance with section 11.2 of the TSC, adjusted appropriately to reflect the time value of money.

7. Projection by PUC of available capacity for future years:

PUC may, from time to time, and depending on its own information needs and those of customers, prepare a projection of available capacity for a future year or years. The methodology for making such a projection would be similar to that described in part 2 (Determination of Available Capacity) above, but would by necessity be based on best available information and assumptions, some of which are described below.

- For a given connection facility, any projections would be based on estimates and assumptions regarding transmission customers who may be connected to the facility in future years, including assumptions about any customers who are not currently connected but may become connected in the future.
- For each customer that has a signed contract (e.g. CCRA) with PUC for capacity at a connection facility, the projection will include the contracted capacity for future years. Where information exists about customers who may in the future have such a contract, assumptions and estimates will be made about their future contracted capacity.
- For customers without a signed contract with PUC for capacity at a connection facility, the customer's assigned capacity in the future will be estimated based on the projected highest rolling 3-month average peak load at that facility as per section 6.2.2 of the TSC (ie what would eventually become the customer's "historical loading").
- Information regarding capacity cancellations, adjustments and additional requirements will likely not be available and hence would not be reflected in such projections.
- The total assigned capacity at a connection facility would be projected by summing the individual assigned capacities for all customers at that facility.
- The total normal supply capacity of a connection facility would be projected as well, based on best available planning information. The projected future available capacity would then be estimated by subtracting the estimated future assigned capacity from the projected total normal supply capacity of the facility.

While the projection of future available capacity is intended to be helpful to PUC and to its customers, it must be noted that such estimates are not required under the Transmission System TSC and, given the quality of the information used to prepare them, they should not be relied upon for planning purposes.

2.3. Security Deposit Procedure

This Procedure was developed in accordance with section 6.3.11 of the TSC. The purpose of the security deposit is to provide PUC with some means to mitigate risk to transmission connection pool customers during the construction phase of a connection. PUC has the right under the TSC to retain all or part of the security deposit when it has expended funds for a new connection to its transmission system or made modifications to its transmission system to accommodate a customer and the customer does not connect or fails to reimburse PUC for funds expended on its behalf.

For the purposes of this Procedure:

“Agreement” means an agreement made between the Applicant and PUC where PUC is required to order long-lead time equipment, perform engineering work or construct new or modified network or connection facilities, in relation to a connection application from the Applicant where new or modified network or connection facilities need to be constructed.

“Material change in financial risk”, consistent with the definitions in the Ontario Securities Act (R.S.O. 1990), means a “material change” or “material fact” as defined below:

“Material change”:

- (a) a change in the business, operations or capital of the Applicant or its corporate parent (where a parental guarantee is being provided) that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Applicant or its corporate parent, or that would be considered important by a reasonable investor.
- (b) a decision to implement a change referred to in (a) above made by the board of directors or other persons acting in a similar capacity or by senior management of the Applicant or its corporate parent who believe that confirmation of the decision by the board of directors or such other persons acting in a similar capacity is probable.

“Material fact”: when used in relation to an Applicant or its corporate parent, means a fact that would reasonably be expected to have a significant effect on the market price or value of any of its securities.

1. Requirement for Security Deposit:

PUC may require each Generator, Storage, or Load Applicant to provide a security deposit at or before the time of executing a Connection and Cost Recovery Agreement (CCRA).

2. Amount of Security Deposit:

Table 1 below prescribes the amount of total aggregate security that a Generator, Storage, or Load Applicant will be required to provide PUC with respect to new or modified connection or network facilities. PUC shall not require a security deposit in relation to the construction of an enabler facility.

Table 1: Total Aggregate Security Deposit Requirement During Construction for Generator, Storage and Load Applicants

Credit Rating	Total Aggregate Security Deposit Requirement	Rationale for Security Amount
AAA- and above, and LDC's with an acceptable credit rating	None	Highest credit rating. Long term stability supported by municipal tax base.
BBB- to AA+ (investment grade)	25% of MNE	Good credit rating.
BB- to BB+ (below investment grade)	50% of MNE	Fair credit rating just below investment grade, possibly caused by temporary or cyclical factors.
B+ or below, or unrated	100% of MNE	Low or no credit rating.
Future Customers (including LDC's) (Section 6.3.9 of the TSC)	100% of incremental costs required to install additional capacity	Up to 5 year lead time for connection requires security deposit if customer does not connect.

Maximum Net Exposure (MNE) is equal to PUC's estimated Connection and Network Costs, less Capital Contribution allocated to benefitting customers. Security deposit requirements may be reduced if cost recovery is reasonably assured through confirmation by the OPG, IESO or OEB, or if customer credit-worthiness is established through means other than a bond rating, such as Altman-Z or Kaplan-Urwitz credit scores or other means. Any adjustments to the security deposit requirements are at PUC's sole discretion.

Phased Project

PUC may collect the total aggregate security deposit requirement defined above over one or more discrete phases as the project progresses. The Applicant will provide the additional security deposit required by PUC for each subsequent phase no later than 10 days following written notice from PUC. If the Applicant fails to provide the required additional security deposit within such 10-day period, PUC will have the right to suspend all work related to the project and may terminate the connection work for cause.

3. Form of Security Deposit:

The Applicant shall provide any required security deposit in the form of cash, letter of credit or surety bond, or a combination thereof or such other form on which the Applicant and PUC may agree.

If the Applicant has an affiliate with a good credit rating and the affiliate is willing to provide a guarantee towards the Applicant's indebtedness, PUC may consent to the use of the affiliate's credit

information when determining the Applicant's security deposit requirements, provided that if the Applicant or affiliate experiences a material change in financial risk during the construction phase of the project or prior to the in-service date, the Applicant must advise PUC within 5 business days of the change, and PUC shall have the right to require an additional security deposit. The additional security deposit at the Applicant's option may be in the form of cash, letter of credit or surety bond, or a combination thereof. The Applicant shall have 5 business days to comply with PUC's request.

4. Security Deposits in the Form of Cash:

The TSC section 6.3.11 states that when an Applicant provides all or any portion of a security deposit in the form of cash, upon returning the security deposit, PUC shall pay interest to the Applicant at the following rates:

- a) for the period between the date on which the security deposit was provided by the Applicant and the date on which the security deposit is required to be returned by PUC, at the average over the period of the prime lending rate as published on the Bank of Canada website, less two percent; and
- b) for the period after the date on which the security deposit is required to be returned by PUC, the prime lending rate as published on the Bank of Canada website, plus two percent.

5. Right to Retain All or Part of a Security Deposit:

PUC may retain all or a part of a security deposit that has been given in relation to the construction or modification of connection or network facilities in any one or more of the following circumstances:

- a) where the Applicant subsequently fails to connect its facilities to PUC's new or modified connection facilities;
- b) where the Applicant terminates an Agreement or PUC terminates an Agreement as a result of a breach of the Agreement by the Applicant;
- c) where the Applicant fails to make any payment due under the terms of an Agreement; and
- d) to remedy any non-financial breach by the Applicant of an Agreement made by the parties in relation to the construction or modification of connection or network facilities.

PUC shall not otherwise retain a security deposit given in relation to the construction or modification of network facilities unless the Board has first determined under section 6.3.5 of the TSC that exceptional circumstances exist so as to reasonably require the Applicant to make a capital contribution for the construction or modification of network facilities.

6. Returning Security Deposits:

PUC shall return security deposits in any of the following circumstances:

- a) if the security deposit is in the form of cash, PUC shall return the security deposit to the Applicant, together with interest at the rate referred to in section 4 of this procedure, less the amount of any capital contribution owed by the Applicant, once the Applicant's facilities are connected to PUC's transmission facilities;

- b) if the security deposit is in a form other than cash, PUC shall return the security deposit to the Applicant once the Applicant's facilities are connected to PUC's transmission facilities and any capital contribution owing has been paid; and
- c) pursuant to TSC section 6.3.5, where an Applicant requests that PUC not commence with construction pending direction from the Board, PUC shall promptly return to the Applicant any outstanding security deposit related to the construction of the new or modified connection, unless the Applicant and PUC agree otherwise, less any expenditures made or committed by PUC prior to the request.

7. Customer Requiring Capacity in the Future:

Where PUC is, at the time at which it is constructing a connection facility for an Applicant, aware of another future customer that will need capacity within five years of the construction of the connection facility, PUC shall add that capacity to the connection facility at the time of construction, provided that it obtains a security deposit in a form referred to in the TSC section 6.3.11 from that future customer to cover the cost of that additional capacity. The amount of the capital contribution to be obtained from the Applicant and the amount or value of the security deposit to be collected from the future customer shall be determined using the economic evaluation methodology set out in the TSC section 6.5, the load forecasts of both customers and the methodology for attributing that capital contribution as described in the TSC section 6.3.14, 6.3.14A, 6.3.15 or 6.3.16. At the time of connection of the future customer's facilities, PUC shall where required redo the original economic evaluation using the same inputs except for any revised load forecast provided by the future customer. This will determine the amount of capital contribution to be collected from the future customer.

Where the security deposit is in the form of cash, PUC shall return the security deposit to the future customer at the time of connection of its facilities to the connection facility, together with interest at the rate referred to in section 4 of this procedure, less the amount of the future customer's capital contribution. Where the security deposit is in a form other than cash, the transmitter shall return the security deposit to the future customer upon receipt of the customer's capital contribution. (Code section 6.3.9)

8. Additional Security Deposits:

An Applicant may be required to provide additional security deposits at any time after PUC has executed an Agreement if, (a) the Applicant is in default of a term of such an agreement and has not remedied the default within the cure period specified in the agreement or, if no cure period is specified in the agreement, a reasonable cure period, or (b) if there is a material change in financial risk associated with a proposed new or modified connection. When an Applicant becomes aware of a material change in financial risk it must advise PUC of the change within 5 business days. Failure to do so will be considered a material breach of the Agreement.

In a case where more than one Applicant triggers the need for a transmission upgrade, an Applicant may be required to provide an additional security deposit or extend the term of a security deposit

after PUC has executed Agreements and collected initial security deposits. This would occur when an Applicant's proportional share of the upgrade cost increases because of other Applicant projects being delayed or cancelled that would have been contributors to the upgrade as originally planned and calculated in the Agreements.

PROCESS OVERVIEW

The process for establishing security deposits integrates with the over-all transmission connection process and is usually done in conjunction with the development of a Connection and Cost Recovery Agreement (CCRA). In situations where it is necessary to advance work or order equipment to meet critical in-service dates, PUC may consider proceeding with a letter agreement requiring a security deposit for 100% of the related costs minus any advance payments made by the customer prior to signing a CCRA. The letter agreement will include a date by which the CCRA must be signed.

Customer Application:

When an Applicant submits a connection application to PUC, after the Applicant and PUC have agreed to the scope of the project and a Customer Impact Assessment has been completed, PUC will provide the Applicant with an estimated cost of the work to complete the connection. Included with the estimate will be information on whether a security deposit is required and if required, the amount of the security deposit. The amount of the security deposit will be affected by the amount of contestable work the Applicant elects to carry out on its own or through a third party. The Applicant has an opportunity subsequent to receiving this information to decide if it wants to proceed with the project or not. If the Applicant decides to proceed, a CCRA is negotiated between the Applicant and PUC.

Security Deposit Terms within a Connection and Cost Recovery Agreement:

A CCRA contains the terms of the agreement between the Applicant and PUC for the construction and connection to a new or modified facility, including the terms of its financial repayment. It includes the scope of the project and the work each party is responsible for completing. The estimated cost of work and which group is responsible for paying those costs are identified in the Agreement.

Where costs for construction or modification of connection or network facilities can be attributed to more than one Applicant requiring the new connection or modification, the total shared connection and network costs will be allocated on a prorated "per MW" basis as a percentage of the total capacity between the Applicants requiring the new or modified connection, or on such other basis as may be agreed to by the parties. For example, assuming each requires its own dedicated connection facilities, generator A with a capacity of 200MW and generator B with a capacity of 300MW for a total of 500MW would share network costs on a basis of 40% (200/500) for generator A and 60% (300/500) for generator B.

The amount of security deposit to be paid will be stipulated in the CCRA, as well as when it will be paid and the rules concerning how and when it is returned or retained by PUC in accordance with this document and the TSC. The security deposit will normally be paid by the time the Applicant signs the CCRA.

Security Deposits and Progress Payments during Project Construction:

During the construction phase, costs will be incurred by PUC on behalf of the Applicant. Where there is a capital contribution required, the Applicant will be expected to make progress payments towards the capital contribution in accordance with an agreed payment schedule in the CCRA. The progress payment schedule will typically coincide with the costs incurred for the project. The total capital contribution payable will be deducted from PUC's estimate of the total of the network and connection costs for the new connection or upgrade for the purposes of calculating the Maximum Net Exposure (**MNE**). The MNE represents PUC's at-risk amount during the construction phase. For the purposes of calculating the aggregate security deposit, the MNE will be a one-time only calculation and will not be adjusted on an ongoing basis unless there is a material change in the Applicant's financial risk. The MNE will be calculated shortly before or when the CCRA is being drafted.

The Applicant will provide its credit rating, taken from any of the reputable credit rating agencies, to PUC, which will determine the amount of security deposit required in accordance with Table 1 above. The amount of the aggregate security deposit required using Table 1 may be reduced if cost recovery is reasonably assured through confirmation by the OPA, IESO, or OEB, or if Applicant credit-worthiness is established through means other than a bond rating, such as Altman-Z or Kaplan-Urwitz credit scores or other means. Any adjustments to the security deposit requirements are at PUC's sole discretion.

In the event of a Material Change in the Financial Risk of an Applicant, for example a credit-watch or lowered credit rating, PUC reserves the right to request an increased security deposit. The Applicant is required to advise PUC of a material change in the Applicant's financial risk within 5 business days.

Example of Security Deposit Calculation:

This example is for a hypothetical Applicant with a BB+ credit rating with allocated network and connection costs estimated at \$20M and capital contribution of \$4M. The Maximum Net Exposure (MNE) is \$16M (\$20M minus \$4M). The aggregate security deposit requirement is 50% of the MNE which amounts to \$8M. PUC may collect the total aggregate security deposit requirement over one or more discrete phases as the project progresses. The security deposit can be provided in the form of cash, letter of credit or surety bond, as may be selected by the Applicant, or in such other form as the Applicant and PUC may agree.

Return of Security Deposit after Project Completion:

PUC will return the Applicant's security deposit after the construction phase of the project is complete and the Applicant has connected its facilities to PUC's transmission facilities. The CCRA will provide a timeline by which the Applicant is expected to have its facility in-service.

Security deposits provided by future Applicants (as noted under TSC section 6.3.9) will be returned after their facilities are connected to PUC's new or modified facilities.

2.4. Customer Impact Assessment Procedure

This procedure was developed to meet the requirements of section 6.4.1 of the TSC. As outlined in the TSC, a transmitter is required to carry out Connection Impact Assessment (CIA) studies under certain circumstances and the following points are to be noted:

- A CIA study is limited to assessing the impact of the new or modified connection on the supply at the transmission connection/delivery points to other transmission customers. It is the responsibility of other transmission customers to determine the consequential impacts and modifications on their own electrical facilities and to advise PUC, the IESO, the Board and the Applicant accordingly. PUC will issue a draft of the CIA report to customers who may be potentially impacted by the connection and those customers are required to provide preliminary feedback. PUC will include the unedited version of this feedback in the final CIA report and PUC will not take responsibility for the contents of the other transmission customers' feedback.
- The decision on the level of modifications at customers' facilities that can be attributed to the new or modified connection, as well as the assignment of cost responsibility for the identified modifications, are outside the scope of this procedure.

REQUIREMENT FOR A CIA STUDY

A Customer Impact Assessment study may be required for any new or modified connection to the IESO-controlled grid. PUC will undertake a CIA study for all cases where, (a) the connection is one for which the IESO's CAA process requires a System Impact Assessment (SIA), or (b) PUC determines that the connection may have a material impact on existing customers. The scope of the CIA study and report will be project-specific, depending on the complexity of the connection project and the extent of its impact on other transmission customers.

Where the IESO's CAA process triggers an SIA, the CIA procedure is mandatory. Where no SIA is required by the IESO, PUC may waive the requirement for a CIA study if PUC determines during its preliminary review that the new or modified connection will not materially impact other transmission customers. PUC may consult with the IESO prior to waiving the requirement for a CIA study. In cases where the requirement for a CIA study is waived, PUC will notify existing customers in the vicinity, advising them of the proposed new connection or modification and of PUC's decision not to carry out a CIA on the basis that no material customer impact is expected.

As a guideline, a CIA study may not be required for the following types of connection proposals:

- a) Like-for-like replacement of existing connection facilities where there is no connectivity change on the transmission system
- b) Transmission connection facilities where;
 - (i) no generation is being added;
 - (ii) there is no significant change in system impedance;

- (iii) the load does not include significant reactive power requirements such as those associated with large motors, furnaces or other similar facilities; and
 - (iv) there is no significant configuration change (e.g. adding in-line breakers, additional breaker diameters), particularly any such changes that may trigger other customers to modify their protections.
- c) Addition of feeder breakers at system voltages less than 50 kV.

CIA STUDY PROCEDURE

The following are typical steps for conducting a CIA study and are subject to a CIA Agreement.

Step 1: Customer Connection Application & Acknowledgement

- The CIA procedure is initiated through the Applicant submitting a connection application to PUC.
- The Applicant will submit a connection application to PUC via email, mail, or courier.
- PUC will acknowledge receipt of the connection application by email.

Step 2: Provision of Data and Information for CIA Study

- After confirming receipt of the connection application, PUC will review the submitted material and request the applicant to provide additional information or clarification of submitted material, if required. This may involve a meeting or conference call with the customer.
- The Applicant will provide missing information or clarification of submitted information to PUC upon request.
- If specific information cannot be provided, PUC may propose suitable typical values to be used in the CIA study in this case. It is the responsibility of the Applicant to ensure that facilities that are later installed have values that are acceptable to PUC and the IESO.

Step 3: CIA Agreement

PUC and the Applicant will execute a CIA Agreement to cover the following:

- CIA study scope including schedule and reporting format.
- Provision of data required to conduct the CIA study.
- CIA study cost, invoicing and payment schedule and method. PUC will provide the cost of the study at the time of the CIA Agreement in accordance with the Schedule of Charges and Fees or based on an estimated cost depending on the complexity of the proposed connection.
- Confidentiality and information sharing including distribution of study results and report to other parties.

Step 4: Customer Impact Assessment Prerequisites

PUC's CIA study will be initiated once:

- the Applicant has executed a CIA Agreement with PUC;
- the Applicant has provided all data required to conduct the CIA study; and

- the IESO has issued its draft System Impact Assessment (SIA) or a draft Expedited System Impact Assessment report.

Step 5: CIA Study and Report

The CIA study will determine the expected impact on the following factors, as appropriate:

- short circuit levels at the Applicant connection/delivery point
- supply voltage levels at the Applicant connection/delivery point
- adequacy/capacity of supply facilities at the Applicant connection/delivery point
- reliability of the supply at the Applicant connection/delivery point

PUC will use the results of the CIA study to provide all the other transmission customers affected by the proposed new or modified connection with a new available fault current level. This will allow each customer to take action, at its own expense to upgrade its facilities as may be required to accommodate the new available fault current level up to the maximum allowable fault levels as set out in the TSC - Appendix 2 - Transmission System Connection Point Performance Standards.

PUC will prepare a report outlining the CIA study results. The report will include the relevant information used in the assessment, including PUC's and the Applicant's information. In order to prepare the report, PUC will:

- issue a draft of the CIA report to the IESO and other affected customers that will outline the impact of the new or modified connection on the supply at the connection facility.
- accept preliminary feedback from the IESO and other affected customers on the draft report.
- issue a final report after the IESO and other affected customers have provided their preliminary feedback.

PUC will distribute the CIA report to the Electrical Safety Authority (ESA), the IESO, the Applicant and other transmission customers in the study area.

2.5. Economic Evaluation Procedure

This Procedure was developed to meet the requirements of section 6.5.2 of the TSC. This procedure involves performing a financial evaluation of the relevant costs and revenues for new or modified load connections. The financial evaluation is carried out according to the methodology and inputs prescribed in the TSC.

The Applicant shall provide PUC such information as needed to facilitate the economic evaluation, including, the Applicant's load shape in such a form and detail as PUC may reasonably advise.

PUC'S DISCOUNTED CASH FLOW MODEL

In accordance with the TSC section 6.5.2 PUC uses its discounted cash flow (DCF) model to assess project economic feasibility and determine any capital contribution required for new or modified transmission load connections. The model assesses financial impacts of new connection projects on the basis of the relevant revenues and costs.

The following revenue and cost elements are included:

- the up-front capital costs for new or modified connection facilities
- on an exception basis, capital costs for new or modified network facilities required to serve the connection as per section 6.3.5 of the TSC
- fully allocated overheads on capital and interest during construction (AFUDC) for work performed by PUC
- advancement costs only, where PUC has planned a new or modified connection facility and moves the planned date forward to accommodate an Applicant as per section 6.5.2(d) of the TSC
- for connection facilities built by a third party and transferred to PUC, the transfer price including applicable PUC costs and charges
- an estimate of working capital requirements associated with the new or modified connection

(Over the economic evaluation period):

- relevant transmission line and/or transformation connection and/or network (on an exception basis per section 6.3.5 of the TSC) tariff revenue generated by the new or modified connection
- estimated OM&A costs to operate, maintain and administer the new connection, including property and capital taxes and excluding interest, which is accounted for in the discount rate
- applicable income taxes and income tax shields

A capital contribution will be required from the customer to make up any shortfall between the present value of the costs of the connection facility and the present value of revenues, as indicated by the DCF analysis.

The methodology and assumptions of the DCF model are consistent with the Transmission System TSC and specifically the requirements outlined in section 6.5.2 and Appendix 4 – Customer Financial Risk Classification, and Appendix 5 – Methodology and Assumptions for Economic Evaluations. These two appendices detail the key assumptions used in the model.

Additional Assumptions Used in the Model

i. Economic Evaluation Periods

The economic evaluation periods that are defined in section 6.5.2 (b) and Appendix 4 of the TSC are as follows:

- 5 years for high-risk connections
- 10 years for medium-high-risk connections
- 15 years for medium-low-risk connections
- 25 years for low-risk connections

More information about the methodology used to determine the appropriate economic evaluation period is provided below.

ii. Actual or Estimated Capital Costs

The economic evaluation may be calculated initially using estimated costs, provided that subsequently the evaluation is re-calculated based on actual costs. Ordinarily this recalculation will occur within 180 days after the in-service date.

iii. Connection Revenue

Revenue for transmission related connection projects is based on project load information and OEB-approved Line Connection and Transformation Connection tariffs. Revenue is derived from that part of the load Applicant's new load that exceeds the normal supply capacity of any connection facility already serving that Applicant, and which will be served by a new or modified connection facility. Any Applicant's assigned capacity transferred from an existing connection facility already serving the Applicant will not be credited to the Applicant's new connection facility revenues. Line connection and transformation connection facilities are subject to separate economic evaluations. Historic revenues and sunk costs are excluded.

iv. Operating, Maintenance and Administrative Costs

OM&A costs are system average estimates for transformation connection and/or line connection facilities as determined and updated by PUC.

v. Incremental Working Cash Requirements

Forecast incremental working cash requirements are estimated based on PUC's transmission lead-lag study results applied to project OM&A costs, consistent with an OEB approved working cash methodology.

vi. Allowance for Funds Using During Construction (AFUDC)

Project capital costs include interest during construction (AFUDC) up to the in-service date. The AFUDC rate is the standard interest capitalization rate used for all PUC capital projects.

vii. Income Taxes and Net Large Corporation Tax (LCT)

Income taxes, including large corporation tax and applicable surtaxes, and Ontario capital tax, are based on current or future enacted tax rates. Property taxes are based on a transmission system average rate.

viii. After-tax Discount Rate Used for NPV Calculations

The project discount rate is based on PUC's prospective capital mix, debt and preference share cost rates, income taxes, and the most recent OEB approved rate of return on common equity.

ix. Timing of Expenditures

Project cash flows are present-valued to the in-service date (time zero). Up-front capital expenditures are treated as occurring at the beginning of the period for discounting purposes. Future capital expenditures, annual connection rate revenues and annual operating and maintenance costs are treated as occurring at the mid-point of the year in which they occur.

x. Customer Risk Classification

The information below is consistent with Appendix 4 of the TSC and is applicable to load connections.

New or Modified Connections that are not Project Financed

For a new or modified connection that is not being financed by the load Applicant on a "project financing" basis, PUC will use a bond rating provided by the Applicant from a known bond rating agency to determine the risk classification.

Where no bond ratings are available for the Applicant, PUC will use the appropriate Altman Z model for public industrial companies, private industrial companies, or non-industrial companies, as the case may be, if the necessary information to complete the analysis is available. PUC will normally require the Applicant to provide a copy of its most recent 3 years of audited financial statements in order to do the Altman Z analysis. Where audited financial statements are not available, PUC may, at its discretion, use un-audited financial statements or other similar information. If the results of the Altman Z model appear anomalous, PUC will use the Kaplan-Urwitz model as a secondary methodology. See below for details on the Altman Z model and the Kaplan-Urwitz model.

Where PUC considers that the risk classification that results from the application of the above methods produces an anomalous result, PUC may, with the Applicant's consent, assign a different risk classification to the new or proposed connection. Where the Applicant does not consent, PUC may apply to the OEB for approval to determine the Applicant's risk classification using an alternate methodology.

Where a load Applicant has not provided PUC with some or all of the information necessary to determine the Applicant's Altman-Z or Kaplan-Urwitz score, PUC may use estimates based on



comparable information provided by similar Applicants. Where no such comparable information is available or where PUC considers that the Applicant’s circumstances are such as to render comparisons with similar Applicants inappropriate, PUC may classify the risk associated with the proposed new or modified connection as high risk.

Where the new connection is for a project having a finite life, the economic evaluation period will be based on the life of the project or the risk rating of the Applicant, whichever is less.

New or Modified Connections that are Project Financed

For a new or modified connection that is being financed by the load Applicant on a “project financing” basis, the Applicant’s risk classification will be determined by the type and amount of security provided. Ordinarily a parental guarantee from an entity with an acceptable credit rating will be required. With an acceptable parental guarantee, the risk classification of the project will be based on the risk of the parent, subject to the exception noted above for finite-life projects.

Where acceptable security is not provided, the project will be assigned a high-risk classification.

Risk Horizon Table

Bond ratings or Altman Z scores or Kaplan-Urwitz scores will determine the Applicant’s risk classification according to the tables below.

**Risk Horizon Table
Bond Rating and Altman Z Score**

Bond Rating*	Altman Z-Score**			Risk Profile	Risk Horizon
	Public Industrial	Private Industrial	Private Non-Industrial		
CCC and below	<1.81	<1.23	<1.10	High	5 Years
B – BB	1.81 – 2.67	1.23 – 2.59	1.10 – 2.32	Medium High	10 Years
Industrial BBB – AAA Non-industrial BBB	2.68 – 2.99	2.60 – 2.90	2.33 – 2.60	Medium Low	15 Years
Non-industrial A - AAA	>2.99	>2.90	>2.60	Low	25 Years

* Based on DBRS rating scale. Investment grade credits qualify for risk ratings of 15 years and above. Non-investment grade credits qualify for risk ratings of less than 15 years. Equivalent ratings from other rating agencies would apply if deemed suitable by PUC.

** Public non-industrial companies or other entities that do not fall within the compass of one of the 3 Altman Z models will be assessed using an appropriate methodology, at PUC’s discretion



Altman Z Public Industrial Model

The Altman Z Score is calculated as: $Z = 1.2 * X1 + 1.4 * X2 + 3.3 * X3 + 0.6 * X4 + 1.0 * X5$

Where:

- X1=net working capital/total assets
- X2=retained earnings/total assets
- X3=earnings before interest and taxes (EBIT)/total assets
- X4=market value of equity/ total liabilities
- X5=sales/total assets

Altman Z Private Industrial Model

The Altman Z Score is calculated as: $Z' = 0.717 * X1 + 0.847 * X2 + 3.107 * X3 + 0.420 * X4 + 0.998 * X5$

Where:

- X1=net working capital/total assets
- X2=retained earnings/total assets
- X3=earnings before interest and taxes (EBIT)/total assets
- X4=book value of shareholders' equity/total liabilities
- X5=sales/total assets

Altman Z Private Non-Industrial Model

The Altman Z Score is calculated as: $Z'' = 6.56 * X1 + 3.26 * X2 + 6.72 * X3 + 1.05 * X4$

Where:

- X1=net working capital/total assets
- X2=retained earnings/total assets
- X3=earnings before interest and taxes (EBIT)/total assets
- X4=book value of shareholders' equity/total liabilities

**Risk Horizon Table
Bond Rating and Kaplan-Urwitz Score**

Bond Rating*	Kaplan-Urwitz Score	Risk Profile	Risk Horizon
CCC and below	<0**	High	5 Years
B – BB	<0**	Medium High	10 Years
Industrial BBB – AAA	> 1.57	Medium Low	15 Years
Non-industrial BBB	1.57 – 3.28		
Non-industrial A – AAA	> 3.28	Low	25 Years

* Based on DBRS rating scale. Investment grade credits qualify for risk ratings of 15 years and above. Non-investment grade credits qualify for risk ratings of less than 15 years. Equivalent ratings from other rating agencies would apply if deemed suitable by PUC.

** Kaplan-Urwitz bond rating-equivalency scores are not provided for non-investment grade entities (below BBB). Kaplan-Urwitz scores less than zero accordingly will be classified as either high-risk or medium-high

risk based on a combination of Kaplan-Urwitz scores, Altman Z scores and other factors such as traditional credit analysis.

Kaplan-Urwitz Model

The Kaplan-Urwitz score is calculated as:

$$KU = 4.41 + 0.0012 * X_1 - 2.56 * X_2 - 2.72 * X_3 + 6.40 * X_4 - 0.53 * X_5 + 0.006 * X_6$$

Where:

X₁=total assets (\$000)

X₂=subordinated debt (dummy variable, 1 or 0) X₃=long-term debt/total assets

X₄=net income/total assets

X₅=co-efficient of variation in net income over 5 years*

X₆=interest coverage (EBIT/interest expense)

* Less than 5 years' of financial statement information will be used when the information is not available.

True-Up Procedure for Load Customers

For new or modified load connection facilities, PUC will carry out a true-up calculation, based on actual Applicant load, at the following true-up points, as per sections 6.5.3 to 6.5.11 of the TSC:

- a) for high risk connections, at the end of each year of operation, for five years;
- b) for medium-high risk and medium-low risk connections, at the end of each of the third, fifth and tenth year of operation; and
- c) for low risk connections, at the end of each of the fifth and tenth year of operation, and at the end of the fifteenth year of operation if actual load is 20% higher or lower than the initial load forecast at the end of the tenth year of operation.

For the true-up calculation, PUC shall use the same methodology used to carry out the initial economic evaluation, revised for actual costs, and the same inputs except for load, which will be based on the actual load up to the true-up point and an updated load forecast for the remainder of the economic evaluation period used.

Before carrying out a true-up calculation for a load Applicant who did not make an initial capital contribution, PUC shall adjust the initial load forecast used in the initial economic evaluation to the point where the present value of connection rate revenues equals the present value of costs as per section 6.5.5 of the TSC.

Where a true-up calculation shows that a load Applicant's actual load and updated load forecast is lower than the load in the initial load forecast, and does not generate the initial forecast connection rate revenues, PUC shall require the load Applicant to make a payment to make up the shortfall, adjusted appropriately to reflect the time value of money and net of any previous true-up payments made.

Where analysis shows that the Applicant has transferred assigned capacity from an existing PUC owned connection facility already serving the Applicant to the new connection facility, which is the subject of the economic evaluation, the Applicant's actual load for true-up purposes will be reduced in proportion to the amount transferred. The updated load forecast will also be reduced to eliminate any transferred load. If there is a shortfall, PUC will then require the Applicant to remit a payment to make up the shortfall, adjusted appropriately to reflect the time value of money and net of any previous true-up payments made.

Where a true-up calculation shows that a load Applicant's actual load and updated load forecast is higher than the load in the initial load forecast and generates more than the initial forecast connection rate revenues, PUC will post the excess revenue as a credit to the Applicant in a notional account, net of any previous true-up credits. PUC will apply the net credit against any shortfall in subsequent true-up calculations. PUC will rebate to the load Applicant any credit balance that remains when the last true-up calculation is carried out, adjusted appropriately to reflect the time value of money and applicable income and other tax impacts. The rebate shall not exceed any capital contribution, adjusted to reflect the time value of money, previously paid by the load Applicant.

When carrying out a true-up calculation for a distributor, PUC:

- a) shall add to the actual load the amount of any embedded generation (determined in accordance with section 11.1 of the TSC) that was installed during the true-up period; and
- b) shall not reduce the updated load forecast as a result of any embedded generation (determined in accordance with section 11.1 of the TSC) that was installed during the true-up period.

When carrying out a true-up calculation for a load Applicant other than a distributor, PUC:

- a) shall add to the actual load the amount of any embedded generation (determined in accordance with section 11.1 of the TSC) of 1 MW or less per unit, or any embedded renewable generation of 2 MW or less per unit, that was installed during the true-up period; and
- b) shall not reduce the updated load forecast as a result of any embedded generation (determined in accordance with section 11.1 of the TSC) of 1 MW or less per unit, or any embedded renewable generation of 2 MW or less per unit, that was installed during the true-up period.

When carrying out a true-up calculation for any load Applicant, PUC:

- a) shall add to the actual load the amount of any reduction in the Applicant's load that the Applicant has demonstrated to the reasonable satisfaction of PUC (such as by means of an energy study or audit) has resulted from energy conservation, energy efficiency, load management or renewable energy activities that occurred during the true-up period; and

- b) shall not reduce the updated load forecast as a result of any reduction in the Applicant's load that the Applicant has demonstrated to the reasonable satisfaction of PUC (such as by means of an energy study or audit) has resulted from energy conservation, energy efficiency, load management or renewable energy activities that occurred during the true-up period.

Where a load Applicant voluntarily and permanently disconnects its facilities from a transmitter's facilities prior to the last true-up point, PUC shall, at the time of disconnection, carry out a final true-up calculation in accordance with the rules set out above. Where the true-up calculation shows that the load Applicant's load to the date of disconnection has not generated the initial forecast connection rate revenues, PUC shall require the load Applicant to make a payment to make up the shortfall, adjusted appropriately to reflect the time value of money and net of any previous true-up payments. Where a true-up calculation shows that the load Applicant's load to the date of disconnection has generated more than the initial forecast connection rate revenues, PUC shall rebate to the load Applicant any excess, adjusted appropriately to reflect the time value of money and applicable income and other tax impacts.

Transfer Price

Where PUC pays a transfer price for a connection facility constructed by a load Applicant, PUC will reflect the transfer price plus applicable charges and costs in the capital contribution that is to be paid by the Applicant. The amount to be reflected in the capital contribution is determined as follows:

Capital cost* = Transfer price
+ PUC project-specific costs
+(a) make-ready costs on transferred assets including inspection, testing, commissioning and any other costs of incorporation
+(b) capital costs of any PUC Uncontestable Work
+(c) full direct and indirect capitalized overheads on capital costs in (a)+(b).

** The above is a general definition only. Capital and operating costs for individual projects will be based on the estimated costs of those projects. Some of the cost elements listed above could be capital or operating costs, and not all cost elements may be applicable for each project.*

2.6. Contestability Procedure

This Procedure has been developed to meet the requirements of section 6.6.2 of the TSC. The Contestability Procedure allows PUC to identify to Applicants the estimated cost of the transmission assets required to facilitate the proposed connection and to identify which transmission connection assets are contestable and can be built by the Applicant. The Applicant can then elect one of three options regarding the construction and ownership of the new connection facilities:

- Option 1. The Applicant can elect to have PUC construct and own all new connection facilities.
- Option 2. The Applicant can elect to construct all of the new connection facilities identified as contestable work and transfer ownership of specific elements to PUC. (Transfer of non-dedicated contestable connection facilities is a requirement, not an option.)
- Option 3. If the new connection facilities are dedicated connection facilities, the Applicant can elect to construct and own the new facilities.

Data provided by PUC and the Applicant, together with the specific construction and ownership options elected by the Applicant, form the basis for a Connection and Cost Recovery Agreement (CCRA) to be made between the two parties.

“Contestable Work” means new connection facilities that are for the sole benefit of the Applicant(s) that do not involve:

- a) The modification of or expansion of PUC’s existing assets, or,
- b) The utilization of an existing station site or an existing right-of-way over which PUC has ownership, easement or other land rights.

PUC may permit the Applicant to terminate their lines at PUC’s assets.

“Dedicated Connection Facilities” means transmission connection facilities devoted to serving a single Customer.

“Detailed Estimate” means a cost estimate prepared by PUC based on completion of additional design work beyond the Initial Estimate and based on the specific costs included in a project and for the labour required to design, construct and manage the project. Such an estimate is summarized into the following basic groupings: Engineering, Construction, Materials, Commissioning, Project Management, Risk/Contingencies, Interest and Overheads. Estimate accuracy is usually plus or minus 10% and it will typically take 90 days to prepare once all required information has been provided and the required deposit has been paid. The Detailed Estimate and any other estimates other than the Initial Estimate is at the Applicant’s cost.

“Initial Estimate” means the preliminary capital cost estimate prepared by PUC derived from the assembly of components and actual costs from previous projects that is provided to an Applicant at PUC’s expense. It does not include detailed costs of items but comprises

estimated costs for major components and areas of work. Costs will be summarized in the following areas: Engineering, Construction, Materials, Commissioning, Project Management, Risk/Contingencies, Interest and Overheads. Estimate accuracy is usually plus or minus 30% and will typically take 45 days to prepare once all required information has been provided by the Applicant.

“Non-Dedicated Connection Facilities” means connection facilities supplying more than one Applicant (load, generator or storage customer).

“Sole Benefit” means connection facilities that are required now and in the foreseeable future strictly for the connection of the Applicant(s).

“PUC’s Reasonable Cost” means the most accurate estimate available of the cost for PUC to construct the contestable work. It is the initial estimate value if agreed by both parties or the detailed estimate if one was prepared by PUC. Costs incurred to create a detailed estimate are recoverable from the Applicant.

“Uncontestable Work” means all connection facilities that are not for the sole benefit of the Applicant and all additions, modifications and physical connection work which involves:

- a) The modification or expansion of PUC’s existing assets; or,
- b) The utilization of an existing station site or an existing right-of-way over which PUC has ownership or easement or other land rights.

PROCEDURE

Applicant Requires a New Connection Facility

The Contestability Procedure is initiated when an Applicant has submitted a connection application to PUC and the Customer Impact Assessment, if required, has been completed.

PUC Provides the Preliminary Estimate and Supporting Information

PUC provides the Applicant with the following required information, at no cost:

- a) A description of the contestable work and the uncontestable work;
- b) A description of the labour and materials required for each of the contestable work and the uncontestable work;
- c) An initial estimate of the capital cost of each of the contestable work and the uncontestable work based on PUC’s design, construction, operation and maintenance standards, together with an indication of the degree of accuracy of the estimate;
- d) The calculation used to determine any capital contribution to be paid by the Applicant if PUC constructs the connection facilities, even if no capital contribution is required;
- e) The information set out in Appendix 3 of the TSC and enough information in sufficient detail to allow the Applicant to design and construct connection facilities that will meet PUC’s

system requirements. PUC's connection requirements will have to be met if the Applicant is to ultimately own and operate the facility; and,

- f) PUC's design, construction, operation and maintenance standards applicable to the contestable work to allow the Applicant to proceed with detailed engineering. These requirements will have to be met if the Applicant is to build the facilities and transfer them back to PUC to maintain and operate.

PUC will provide revisions to the above information at the Applicant's expense, if the Applicant requires additional information as a result of changes to the Applicant's plans or wishes to obtain additional design work in order to enhance PUC's initial estimate.

Connection Facility Ownership Decision

Where an Applicant requires new connection facilities and those facilities are identified by PUC as contestable, the Applicant can elect either to construct its own connection facilities or to require PUC to construct them. The Applicant must also determine if the new connection facilities will be Applicant-owned or PUC-owned as a transmission connection asset.

If the connection facility includes uncontestable work, that portion of the work can only be constructed and owned by PUC. The Applicant cannot construct or own such a connection facility. Where the connection facility includes contestable work, the Applicant has the right to either provide this part of the connection facility itself or to require PUC to provide it. Where the Applicant chooses to carry out the contestable work, it must carry out all of the contestable work.

At this stage, the Applicant must also decide whether it will transfer dedicated connection facilities that it builds to PUC following successful construction and commissioning.

If the Applicant elects to have PUC build the connection facilities, proceed to Option 1 below. If the Applicant elects to build the connection facilities to transfer to PUC, proceed to Option 2. (The Applicant may choose to transfer all or part of the contestable work.) If the connection facility will be Applicant built and owned, proceed to Option 3.

Option 1: PUC Builds and Owns the Connection Facility

The parties will enter into a Connection and Cost Recovery Agreement (CCRA) describing the terms and conditions relating to the project scope and cost responsibilities. Once signed, this agreement will be binding and PUC will undertake the work and own the connection facility. A capital contribution may be required to the extent that the cost of the connection facility is not recoverable in connection rate revenues. (See section 6.5.2 of the TSC and PUC's Economic Evaluation Procedure).

PUC undertakes the work including the design, construction, testing, inspection and commissioning of the connection facility. Upon completion of the connection facility, PUC recalculates the capital contribution requirement based on PUC's actual cost of construction including direct and indirect capitalized overheads.

Following completion of these steps, the Contestability Procedure ends.

Option 2: Applicant Builds Connection Facility to Transfer to PUC

The parties will enter into a CCRA which includes terms and conditions applicable to the contestable work. Once the CCRA is executed by both parties, the CCRA will be binding and PUC will own the connecting facility when built by the Applicant in accordance with the terms of the CCRA and after it is transferred to PUC. The CCRA will describe the terms and conditions with respect to any work that PUC is performing related to the connection facility and any work that PUC performs on its transmission system to accommodate the connection of the facility as well as the terms and conditions necessary for PUC to take ownership. A capital contribution may be required to the extent that the cost of the connection facility transferred to PUC is not recoverable in connection rate revenues. (See section 6.5.2 of the TSC and PUC's Economic Evaluation Procedure).

Where an Applicant proposes to, or is obliged to, transfer any connection facilities it constructs to PUC, PUC will provide, upon request and at cost as per section 6.6.2 (f) of the TSC, a detailed design to allow the Applicant to carry out the contestable work and provide PUC's Design and Construction Standards that must be met in constructing the connection facility.

The Applicant will undertake all inspection, testing and commissioning activities. PUC shall have the right to participate in all or any part of the inspection, commissioning, testing and witnessing at the Applicant's expense as per section 4.3.3 and section 6.6.2 (d) of the TSC. The Applicant must submit a commissioning program in writing to PUC 30 business days prior to the planned commissioning tests. PUC must indicate to the Applicant within 15 business days of receiving the program if it agrees with the proposed commissioning program and test procedures or if it requires changes in the interest of safety or maintaining the reliability of the transmission system as outlined in Appendix 1, Schedule E, Section 1.7 of the TSC. The Applicant will transfer the connection facility to PUC after construction and commissioning are complete and the Applicant is in compliance with the CCRA.

PUC will pay the Applicant a transfer price that is the lower of the actual cost to the Applicant or PUC's reasonable cost to do the same work, including direct and indirect capitalized overheads, as per section 6.6.2 (g) of the TSC. PUC will recalculate the capital contribution requirement based on the capital cost as described below and update the CCRA accordingly.

Capital cost* = Transfer price
 + PUC project-specific costs
 +(a) make-ready costs on transferred assets including inspection, testing, commissioning and any other costs of incorporation
 +(b) capital costs of any PUC Uncontestable Work
 +(c) full direct and indirect capitalized overheads on capital costs in (a)+(b).

** The above is a general definition only. Capital and operating costs for individual projects will be based on the estimated costs of those projects. Some of the cost elements listed above could be capital or operating costs, and not all cost elements may be applicable for each project.*

Following completion of these steps the Contestability Procedure ends.

Option 3: Applicant Builds and Owns the Connection Facility

When the Applicant decides to design, build, own and maintain its own connection facility, the connection facility is to be designed and built in accordance with PUC's system requirements. The parties will enter into a CCRA describing the terms and conditions relating to the project scope and cost responsibilities. Once signed, this agreement will be binding and the Applicant will undertake the work and own the connection facility.

PUC, as the transmitter, shall have the right to participate, at the Applicant's expense, in the witnessing, commissioning, inspecting or testing of the Applicant-owned facility as these facilities can have an impact on PUC's transmission system as per section 4.3.3 and Section 6.6.2 (d) of the TSC.

Following completion of these steps the Contestability Procedure ends.

2.7. Reconnection Procedure

This Procedure has been developed to meet the requirements of section 6.10.3 of the TSC. The Reconnection Procedure applies following voluntary and involuntary disconnection (excluding planned and unplanned outages).

Transmission customers are required to follow the reconnection procedure when they request to be reconnected following a voluntary or involuntary disconnection. Any cost incurred by PUC including Customer Impact Assessment (CIA) studies or system assessment studies are to be borne by the customer.

Step 1:

The customer will complete and submit to PUC and the IESO an Application for Reconnection to initiate the reconnection process providing the reason for disconnection and any measures taken to rectify any connection issues if required.

Step 2:

PUC will review the reason for disconnection of the customer's facilities and any actions taken. PUC will provide the customer with the results of the review and shall request any additional information required by PUC to assess the changes made at the customer site.

Step 3:

The customer will provide any additional information required by PUC to assess the changes made at the customer site.

Step 4 :

The IESO will identify any reconnection requirements it deems necessary and provide a copy to PUC and the customer.

Step 5:

PUC will determine if a CIA study is required due to any changes at the customer's site or PUC's facilities. A CIA study will only be required if it is deemed necessary to ensure system integrity or if a System Impact Assessment (SIA) is required by the IESO. If a CIA study is needed the customer will be required to enter into a CIA Study Agreement with PUC.

Step 6:

If a CIA study is not required, PUC will direct the customer to the Equipment Compliance Process if applicable.

Step 7:

Once PUC is satisfied that reconnection of the customer's facilities will not cause any adverse effects on the transmission system, the customer will be advised in writing when reconnection can



take place. PUC shall have the right to participate in all or any part of inspection, testing and commissioning activities that may be required by PUC, at the customer's cost.

2.8. Dispute Resolution Procedure

This Procedure has been developed to meet the requirements of section 12.1.1 of the TSC. PUC is required to implement the dispute resolution procedure in the event of a dispute with a customer regarding PUC's obligations under the Electricity Act, the TSC or PUC's transmission licence. This procedure includes provisions that:

- a) provide for fair, timely and effective resolution of disputes;
- b) set out specific steps for completion of the Dispute Resolution Procedure; and
- c) establish the right of PUC or the customer to bring a dispute to the OEB for resolution, if it has not been resolved by the parties within 30 days.

EXCEPTIONS

In accordance with the TSC section 12.1.4, this Dispute Resolution Procedure shall not apply to disputes that arise between a PUC and a customer that are:

- a) governed by the Dispute Resolution Procedure contained in their Connection Agreement, or
- b) related to the terms and conditions of a contractual arrangement that is under negotiation between PUC and the Customer, except where one party alleges that the other party is:
 - seeking to impose a term or condition that is inconsistent with or contrary to the OEB Act, the Electricity Act, a party's license, the TSC or any of PUC's connection procedures; or
 - refusing to include a term or condition that is required to give effect to the TSC or any of PUC's connection procedures.

NOTIFICATION OF DISPUTE

A customer or PUC can notify the other party of a formal complaint by completing the Customer Dispute Notification form available on PUC's website. PUC will log the date the complaint is received and track the progress of the dispute to resolution. PUC will appoint a representative to give the customer a single point of contact within the company.

ACKNOWLEDGEMENT OF DISPUTE

PUC shall confirm receipt of the Customer Dispute Notification form within 3 business days. An acknowledgement letter will provide the name and contact information of the PUC representative and request a meeting to review the background information related to the dispute.

DISCOVERY OF FACTS

PUC's representative will meet with the customer in person or by teleconference within 10 calendar days of receipt of the Customer Dispute Notification form, or within a time mutually agreeable to both parties to:

- a) review the issues and information related to the customer's position in relation to the dispute.
- b) discuss applicable legislation, licence provisions, the TSC and PUC's OEB approved connection procedures related to the dispute.
- c) determine if the dispute may be settled informally at this stage to the mutual satisfaction of both parties.

The PUC representative will document the customer's position and the customer's supporting information in the form of Minutes of Meeting to be completed within 2 business days of the meeting. The PUC representative will obtain concurrence on the contents of the Minutes from the customer and agreement on a date on which it will provide a formal offer to settle the dispute. PUC will prepare a formal offer to settle and forward it to the customer in accordance with the timeline agreed by the parties.

If the parties agree on terms of a formal settlement at the meeting, PUC will prepare a Settlement Agreement for the customer to review and both parties to sign.

NEGOTIATE SETTLEMENT

If the customer accepts PUC's offer to settle, PUC will prepare a settlement agreement for the customer to review and both parties to sign.

If the customer rejects PUC's offer to settle, the customer or PUC may request a meeting or teleconference to review the offer and each others position to determine if a settlement is possible.

If the customer and PUC cannot reach a settlement at this point, the parties may choose to:

- a) jointly suspend negotiations for a mutually agreeable time to review their respective positions;
- b) jointly agree to follow the Dispute Resolution Procedure contained within Section 17 of the TCA applicable to the parties. In accordance with sections 17.5.7 and 17.5.12 of the TCA, a copy of the decision of the arbitrator(s) and minutes setting out the terms of settlement, from which all Confidential Information (as defined in the TCA) has been expunged, will be made available to the public by PUC; or
- c) jointly or individually bring the dispute to the OEB for resolution.

SIGN-OFF SETTLEMENT

Where a customer has accepted PUC's offer to settle or the two parties have agreed on an alternate settlement, PUC will prepare a settlement agreement for the customer to review and both parties to

sign. The settlement agreement is to be executed by the parties within 7 business days of reaching the settlement or within a timeframe mutually agreed to by the parties.

FAILURE TO HONOUR SETTLEMENT AGREEMENT

Where a party fails to comply with the terms of the settlement agreement, the other party shall have the right to:

- a) exercise any right that it may have in the settlement agreement;
- b) exercise any right in law; or
- c) have the right to take the matter to the OEB for resolution.

Notwithstanding the foregoing, neither party may take the matter to the OEB where the parties have jointly agreed to follow the dispute resolution procedure contained within Section 17 of the TCA applicable to the parties. Section 17.5.11 of the TCA specifies that where a party fails to comply with the terms of a settlement agreement reached during the course of arbitration, the other party may submit the matter to arbitration if the settlement has not been recorded in the form of an award under the *Arbitration Act, 1991*.

SUMMARY OF DISPUTE

PUC will prepare a summary of the dispute and related issues. Documentation related to the dispute will be retained by PUC and filed with the executed copy of the settlement agreement. If requested by the OEB, PUC will file the records relating to the resolution of the dispute. Where warranted, those records may be filed with a request that they be held in confidence in accordance with the OEB's "Practice Direction on Confidential Filings."

3. Transmission Plans

PUC develops and refines plans on an ongoing basis to address load growth and maintain the reliability and integrity of its transmission system. Upon request from a customer or Applicant, PUC will provide the relevant and most recent version of such plans that cover the applicable portions of its transmission system.

The general rule is that a transmission customer must pay for new or modified transmission connection facilities that are intended to provide benefit to that customer. A capital contribution towards those connection facilities may be required to the extent that the costs associated with those facilities are not recoverable in connection rate revenues.

However, section 6.3.6 of the TSC provides the following exception to the above cost responsibility rule: “The transmitter shall not require a customer to make a capital contribution for a connection facility that was otherwise planned by the transmitter, except for advancement costs.”

Therefore, a customer is not required to make a capital contribution in situations where the new or modified connection facilities were otherwise planned by PUC, substantially independent of the customer, to address system needs, except for advancement costs.

4. Schedule of Charges and Fees

PUC TRANSMISSION CONNECTION PROCESS SCHEDULE OF CHARGES & FEES FOR TRANSMISSION CUSTOMERS

WORK ACTIVITY	COST
Inspection, Testing and Commissioning Activities	Actual Costs
Engineering Activities	Actual Costs
STUDIES	COST per STUDY
Customer Impact Assessment (CIA) Study	Actual Costs
Connection Cost Estimate Studies	Actual Costs
Feasibility Studies	Actual Costs
Preliminary Engineering Agreement (PEA)	Actual Costs
Pre-CCRA Letter Agreement for Purchase of Long Lead Items	Actual Costs

In all cases the customer will enter into a Study Agreement with PUC.

For CIA studies, the scope of work, deliverables, expected timelines and payment schedule will be determined on a case-by-case basis and specified in the Study Agreement.

For Connection Cost Estimate Studies and Feasibility Studies, the scope of work, deliverables, expected timelines and payment schedule will be determined on a case-by-case basis and specified in the Study Agreement.

5. Timelines for Connection Process

The table below provides PUC’s timelines, on a “best efforts” basis, for each step of the connection process.

Project Phase	Best Efforts Timeline	Trigger
Step 1: Early Consultation	N/A	PUC recommends that Customers reach out for Early Consultations at least 2-4 weeks ahead of submitting a Connection Application
Step 2: Connection Application	1-2 months	From submission of PUC Connection Application to date of completed joint SIA/CIA Application
Step 3: Customer Impact Assessment (CIA)	3-5 months	From date of IESO Issuing Draft System Impact Assessment (SIA)
Step 4: Connection Cost Estimate	4-8 months	From date Cost Estimate Agreement Executed
Step 5: Connection & Cost Recovery Agreement	1 month or longer if regulatory approvals, expropriation and permits are required	From date of issuing Draft Connection Cost Recovery Agreement (CCRA)
Step 6: Design & Construction	Project specific (typically 12 to 24 months) to be determined under CCRA terms.	Execution of CCRA
Step 7: Commissioning	1-2 months	Signing of Connection Agreement ¹

Notes:

- 1) Customer must submit a commissioning plan to PUC at least 30 days before proposed commissioning tests.

Appendix “B”

Reference Table: OEB-approved precedents that inform the Transmission Connection Procedures

In consideration of the OEB’s comments in its decision approving PUC Transmission’s Security Deposit Procedure that it is “appropriate and efficient for transmitters to have connection procedures that are substantively similar, as it may reduce potential barriers for connecting customers”,⁴ PUC Transmission relied on the following OEB-approved precedents to prepare the Transmission Connection Procedures:

- a) Hydro One Transmission Connection Procedures Revised November 18, 2015, EB-2012-0031 (“**HONI TCP**”);⁵ and
- b) Wataynikaneyap Power LP Transmission Connection Procedures Effective September 1, 2024, EB-2022-0330 (“**WPLP TCP**”).⁶

Table 1 below sets out the sections of the HONI TCP and WPLP TCP that form the basis of the corresponding section of the Transmission Connection Procedure and indicates any modifications.

Table 1 - OEB-approved precedents that inform the Transmission Connection Procedures

PUC Transmission – Transmission Connection Procedures	Referenced OEB-Approved Precedent and Bulleted List of Changes
1.1 Introduction	Section 1.1 of HONI TCP (p. 1-2) <ul style="list-style-type: none"> • Added introductory paragraph • Changed capitalization of listed items • Removed description of stakeholder consultations • Added a provision re conflict between Transmission Connection Procedures and Transmission System Code and other statutory and regulatory requirements
1.2 Transmission Connection Process	HONI TCP (p. 2 and Figure 1) <ul style="list-style-type: none"> • Modified Figure 1 graphic • Modified process chart to include “Early Consultation”

⁴ EB-2025-0193, Decision and Order, August 19, 2025, p. 2.

⁵ Available online:

[https://www.hydroone.com/businessservices /Documents/Transmission%20Connection%20Procedures_Updated%20-%20Nov%2018%202015.pdf](https://www.hydroone.com/businessservices/Documents/Transmission%20Connection%20Procedures_Updated%20-%20Nov%2018%202015.pdf)

⁶ Available online : < 6733720d449c1bef901995f2_WPLP-Transmission-Connection-Procedures-20240901.pdf>

<i>Step 1: Early Consultation</i>	Step 1 WPLP TCP (p. 5-6) <ul style="list-style-type: none"> • Added “Early Consultation” step
<i>Step 2: Connection Application</i>	Step 1 WPLP TCP (p.5-6) <ul style="list-style-type: none"> • Modified introductory paragraph
<i>Step 3: Customer Impact Assessment</i>	Section 2.4 HONI TCP “Requirement for a CIA Study” (p. 27-28) <ul style="list-style-type: none"> • Moved up from section 2.4 to Step 3
<i>Step 4: Connection Cost Assessment</i>	Step 3.5 WPLP TCP (p. 9-12) <ul style="list-style-type: none"> • Modified text for clarity
<i>Step 5: Connection and Cost Recovery Agreement</i>	Step 4 WPLP TCP (p. 13-14) <ul style="list-style-type: none"> • Modified second paragraph for clarity • Last paragraph moved to Step 6
<i>Step 6: Design and Construction</i>	Step 5 WPLP TCP (p. 15-16) <ul style="list-style-type: none"> • Deleted introduction • Modified last paragraph
<i>Step 7: Commissioning</i>	Step 6 WPLP TCP (p. 17-18) <ul style="list-style-type: none"> • Modified text for clarity
2.1 Total Normal Supply Capacity Procedure	Section 2.1 HONI TCP (p. 6-7) <ul style="list-style-type: none"> • Modified Glossary • Deleted text under “Phase 1” and “Phase 2” • Deleted headings
2.2 Available Capacity Procedure	Section 2.2 HONI TCP (p. 9-17): <ul style="list-style-type: none"> • Modified introduction • Modified Glossary • Modified subsections 2(a) and (b) • Modified introduction to subsection 5 • Modified subsection 6(d) • Modified headings
2.3 Security Deposit Procedure	PUC Transmission has included the previously OEB-approved Security Deposit Procedure for the sake of completeness. ⁷ PUC Transmission is not seeking any changes to the approved Security Deposit Procedure.
2.4 Customer Impact Assessment Procedure	Section 2.4 HONI TCP (p. 27-29) <ul style="list-style-type: none"> • Removed reference to revoked regulation O. Reg 326/09 under “Requirement for a CIA Study” • Removed fax as form of transmitting customer impact assessment.
2.5 Economic Evaluation Procedure	Section 2.5 HONI TCP (p.31-38) <ul style="list-style-type: none"> • Modified introduction • Omitted “Appendix 1”

⁷ EB-2025-0193, Decision and Order, August 19, 2025

2.6 Contestability Procedure	Section 2.6 HONI TCP (p. 44-48) <ul style="list-style-type: none"> • Modified glossary
2.7 Reconnection Procedure	Section 2.7 HONI TCP (p. 50-51) <ul style="list-style-type: none"> • Consolidated Step 1 and 2 and changed numbers of remaining steps
2.8 Dispute Resolution Procedure	Section 2.7 HONI TCP (p. 53-55)
3. Transmission Plans	Section 3 HONI TCP (p. 56)
4. Schedule of Charges and Fees	Section 4 HONI TCP (p. 57) <ul style="list-style-type: none"> • Revised table heading • Consolidated Standard and Complex Customer Impact Study into one row, removed description of each, and revised cost to “Actual Costs” • Updated name of “Connection Cost Estimate studies”
5. Timelines for Connection Process	Section 5 HONI TCP (p. 58) <ul style="list-style-type: none"> • Added introductory sentence • Revised project phase numbers to reflect section 1.2 • Revised trigger to reflect section 1.2

The following general modifications were made when incorporating either HONI TCP or WPLP TCP sections into the Transmission Connection Procedure and are not specifically listed in Table 1:

- a) Replaced “Hydro One” or “WPLP” with “PUC”, “customer” or “Connection Applicant” with “Applicant”, “CEA” with “CCEA”, and “Code” with “TSC”;
- b) Update section cross-referencing internal to the Transmission Connection Procedure section numbering and naming;
- c) Changed to lowercase capitalization (e.g. Connection Interface Documents, Facility Registration, Dispute Resolution Procedure, Settlement Agreement and Dispute); and
- d) Include reference to “storage” Applicants, where applicable.