

# CCRA Template

For

## Connection of a Load Customer to GLPL's Transmission System

**November 24, 2006**

GLPL advises that this document reflects the changes made in the Transmission System Code posted by the OEB on July 25, 2005; however, the provisions contained herein are subject to change and may be revised to reflect any applicable decision or order rendered by the Ontario Energy Board.

# Connection of a Load Customer to GLPL's Transmission System

**THIS CONNECTION AND COST RECOVERY AGREEMENT** made in duplicate as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_ between **GREAT LAKES POWER LIMITED ("GLPL")** and (*Insert Name of Load Customer*) (the "Load Customer") (individually referred to as a "Party" and collectively referred to as the "Parties");

**WHEREAS** GLPL is agreeable to performing the GLPL Connection Work required to permit the Connection on the following terms and conditions set out herein; and

**WHEREAS** the Load Customer is agreeable to performing the Load Customer Connection Work required to permit the Connection and is agreeable to the payment for work performed by GLPL in accordance with the terms and conditions set out herein;

**NOW THEREFORE** in consideration of the mutual covenants, agreements, terms and conditions herein and other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree as follows:

1. Each of the Parties hereto confirms the truth and accuracy of the recitals. The Parties hereto agree that the recitals and the schedules attached to this Agreement form part of this Agreement.

2. Subject to Sections 27, 28 and 44, and the termination rights in this Agreement, this Agreement shall be in full force and effect and binding on the parties as of the date first written above (the "Effective Date") and shall expire on the date the Transmitter receives payment for the final invoice from the Load Customer or the Load Customer receives a credit memorandum from the Transmitter in accordance with Section 19 associated with the last true-up calculation (the "Term").

## **Representations and Warranties**

3. Each Party represents and warrants to the other that:

- (a) it has all the necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution of this Agreement and compliance with and performance of the terms, conditions, and covenants contemplated herein have been duly authorized by all necessary corporate action on its part; and
- (c) it is registered for purposes of Part IX of the Excise Tax Act (Canada) and the GST

registration number of each party is set out in Schedule "D".

## **GLPL Connection Work**

4. GLPL shall perform the GLPL Connection Work in a manner consistent with Good Utility Practice, in compliance with all Applicable Laws, including, but not limited to the Transmission System Code, and using duly qualified and experienced people.

5. GLPL's responsibilities under this Agreement with respect to the Connection are limited to the performance of the GLPL Connection Work.

6. Notwithstanding Section 5 above, GLPL shall use reasonable efforts to obtain warranties for the Connection Materials that are transferable to the Load Customer in the event that the Load Customer takes title to any of the Connection Materials in accordance with the terms of this Agreement.

7. Except as provided herein, GLPL makes no warranties, express or implied, and GLPL disclaims any warranty implied by law, including implied warranties of merchantability or fitness for a particular purpose and implied warranties of custom or usage with respect to the GLPL Connection Work.

8. GLPL shall comply with the terms and conditions of access attached hereto as Schedule "H" and Section 27.13 of the Connection Agreement (which Section is incorporated by reference into and forms part of this Agreement) when accessing the New Load Customer Facilities and/or Existing Load Customer Facilities. In the event that Section 27.13 of the Connection Agreement or the provisions of Schedule "H" are in conflict then Section 27.13 of the Connection Agreement shall prevail.

9. The GLPL Connection Work and GLPL's rights and requirements hereunder, including, but not limited to:

- (i) GLPL's specifications of the protection equipment on the Load Customer's side of the Connection Point;
- (ii) GLPL's acceptance of power system components on the Load Customer's side of the Connection Point; and
- (iii) GLPL's acceptance of the technical specifications (including electrical drawings) for the New Load Customer Facilities;

are solely for the protection of GLPL's transmission system and that the Load Customer is responsible for installing equipment and facilities such as protection and control equipment to protect its own property, including, but not limited to the Existing and/or New

Load Customer Facilities where the facility is owned by the Load Customer.

10.1 GLPL shall use reasonable efforts to complete the GLPL Connection Work by the date specified as the Ready for Service Date in Schedule "D" provided that:

- (a) the Load Customer executed and returned this Agreement to GLPL by no later than the date specified as the Execution Date in Schedule "D";
- (b) the Load Customer has completed the Load Customer Connection Work in accordance with the terms and conditions of this Agreement;
- (c) the Load Customer is in compliance with its obligations under this Agreement;
- (d) any work required to be performed by third parties has been performed in a timely manner and in a manner to the satisfaction of GLPL, acting reasonably;
- (e) there are no delays resulting from GLPL not being able to obtain outages from the Independent Electricity System Operator (IESO) required for the GLPL Connection Work;
- (f) GLPL does not have to use its employees, agents and contractors performing the GLPL Connection Work elsewhere on its transmission system or distribution system due to an Emergency (as that term is defined in the Transmission System Code) or an event of force majeure;
- (g) GLPL is able to obtain the materials and labour required to perform the GLPL Connection Work with the expenditure of Premium Costs where required;
- (h) where required, GLPL receives leave to construct pursuant to Section 92 of the Ontario Energy Board Act, 1998, as amended (the "OEB Act") by no later than the date specified as the GLPL Approval Date in Schedule "D" of this Agreement and where necessary for GLPL to perform and complete the GLPL Connection Work, the Load Customer receives leave to construct pursuant to Section 92 of the OEB Act by no later than the date specified as the Load Customer Approval Date in Schedule "D" of this Agreement; and
- (i) where required, GLPL receives the easement described in Section 25 hereof by the Easement Date specified in Schedule "D".

The Ready for Service Date may be materially affected by those circumstances set out in Schedule "D". The Load Customer acknowledges and agrees the Ready for Service Date may be materially affected by difficulties with obtaining and the ability to obtain all necessary land rights and/or environmental approvals, permits or certificates.

10.2 Any change in the scope of the Project whether they are initiated by the Load Customer or are Non-Load Customer Initiated Scope Changes, may result in a change to the costs estimated in Schedule "D", "E" and

"F" of this Agreement and the Ready for Service Date. All Load Customer initiated scope changes to this Project must be in writing to GLPL.

GLPL will advise the Load Customer of any cost and schedule impacts of any Load Customer initiated scope changes. GLPL will not implement any Load Customer initiated scope changes until written approval has been received from the Load Customer accepting the new pricing and schedule impact.

GLPL will implement all Non-Load Customer initiated scope changes until the estimate of the Actual Cost of all the Non-Load Customer initiated scope changes made by GLPL reaches 10% of the total sum of the estimates of the Actual Cost of:

- (i) GLPL Connection Work – Recoverable – New Load Customer Facilities;
- (ii) GLPL Connection Work – Recoverable – Connection Facilities; and
- (iii) GLPL Connection Work – Recoverable – Network Facilities.

At that point, no further Non-Load Customer initiated scope changes may be made by GLPL without the written consent of the Load Customer accepting new pricing and schedule impact. If the Load Customer does not accept the new pricing and schedule impact, GLPL will not be responsible for any delay in the Ready for Service Date as consequence thereof subject to the Code section 12.1.3.

11. Upon completion of the GLPL Connection Work:

- (a) GLPL shall own, operate and maintain all equipment referred to in Schedule "G".
- (b) other than equipment referred to in paragraph 11(a) above, all other equipment provided by GLPL as part of the GLPL Connection Work or provided by the Load Customer as part of the Load Customer Connection Work will be owned, operated and maintained by the Load Customer.

The Load Customer acknowledges that:

- (i) ownership and title to the equipment referred to in paragraph 11(a) above shall throughout the Term and thereafter remain vested in GLPL and the Load Customer shall have no right of property therein; and
- (ii) that any portion of the equipment referred to in paragraph 11(a) above that is located on the Load Customer's Property shall be subject to an easement substantially in the form set out in Schedule "I" and shall remain the property of GLPL and shall not be or become fixtures and/or part of the Load Customer's property;

#### **Load Customer's Obligations - Connection**

12. Except as specifically provided herein, the Load Customer is responsible for obtaining any and all permits, certificates, reviews and approvals required under any Applicable Laws for the construction, connection and operation of the Load Customer Connection Work and the New Load Customer Facilities.

13. In addition to its obligations under Section 12 above, the Load Customer is responsible for meeting the requirements of the IESO or its successor, with respect to approving the Connection and operation of the New and/or Existing Load Customer Facilities. The aforementioned requirements, include, but are not limited to, the Load Customer entering into any agreements required by the IESO in order to permit the Connection and the Load Customer complying with the *Market Rules*.

14. The Load Customer shall perform the Load Customer Connection Work at its own expense and in a manner consistent with Good Utility Practice, in compliance with all Applicable Laws, including, but not limited to the Transmission System Code, and using duly qualified and experienced people.

15. The Load Customer shall comply with the terms and conditions of access attached hereto as Schedule "H" and Section 27.13 of the Connection Agreement (which section is incorporated by reference into and forms part of this Agreement) when accessing GLPL's Facilities or site. In the event that Section 27.13 of the Connection Agreement or the provisions of Schedule "H" are in conflict then Section 27.13 of the Connection Agreement shall prevail.

16. The Load Customer acknowledges and agrees that:

- (a) GLPL is not responsible for the provision of power system components on the New and/or Existing Load Customer Facilities, including, without limitation, all transformation, switching, metering and auxiliary equipment such as protection and control equipment.
- (b) it shall, in accordance with all applicable laws, codes and standards, including but not limited to, the Transmission System Code, provide, operate and maintain all power system components on the Load Customer's side of the Connection Point at the expense of the Load Customer, including, without limitation, all transformation, switching, metering and auxiliary equipment such as protection and control equipment;
- (c) all of the power system components referred to in paragraph 16(b) above are subject to the acceptance of GLPL with regard to GLPL's requirements to permit Connection; and
- (d) it shall provide technical specifications for the New Load Customer Facilities and the Load Customer Connection Work as required for GLPL's review. Until GLPL has accepted the

technical specifications (including electrical drawings) for the New Load Customer Facilities and the Load Customer Connection Work and accepted the Load Customer's verification of those portions of the Load Customer's electrical facilities affecting GLPL's transmission system, in accordance with any of its safety and reliability obligations under the Code, GLPL shall not be bound to connect the Load Customer.

17. Upon completion of the GLPL Connection Work, the Load Customer acknowledges and agrees that:

- (a) it shall continue to provide separate telecommunication circuits for the protection, load rejection, metering and SCADA requirements and will do so for as long as the New and/or Existing Load Customer Facilities remain connected to GLPL's transmission system;
- (b) ownership and title to the equipment referred to in Schedule "G" shall throughout the Term and thereafter remain vested in GLPL and the Load Customer shall have no right of property therein;
- (c) where GLPL has equipment for automatic reclosing of circuit breakers after an interruption for the purpose of improving the continuity of the connection, it shall be the obligation of the Load Customer to provide adequate protective equipment for the New and/or Existing Load Customer Facilities that might be adversely affected by the operation of such reclosing equipment;
- (d) it shall provide such equipment as may be required from time to time by GLPL for the prompt disconnection of any of the Load Customer's apparatus that might negatively affect the proper functioning of GLPL's reclosing equipment
- (e) unless specified otherwise in Schedule "D" or in the Connection Agreement, the New and/or Existing Load Customer Facilities' equipment shall not be allowed to automatically reclose after an interruption unless the Load Customer has specific prior approval from GLPL;
- (f) it shall provide GLPL with as-built copies of the documentation specified in Schedule "D", acceptable to GLPL, by no later than 60 days after the Final In-Service Date of the New Load Customer Facilities and the Load Customer Connection Work and the Load Customer shall ensure that GLPL may retain this information for GLPL's ongoing planning, system design, and operating review; and
- (g) it shall maintain and revise the documentation referred to in paragraph 17(f) above to reflect changes to the New and/or Existing Load Customer Facilities and provide copies to GLPL on demand or as specified in the Connection Agreement.

### **Cost of GLPL Connection Work**

18 (a) The Load Customer shall pay GLPL the Actual Cost of the GLPL Connection Work – Recoverable – New Load Customer Facilities which is estimated to be the amount specified in Schedule "D" (plus applicable taxes) in the manner of payment specified in Schedule "D". The Load Customer shall pay a capital contribution (the 'Capital Contribution') which is calculated based on the Actual Cost of the GLPL Connection Work – Recoverable – Connection Facilities and GLPL Connection Work – Recoverable – Network Facilities (provided a direction is obtained from the OEB) and as per the GLPL Economic Evaluation Procedure approved by the Board (plus applicable taxes) in the manner of and time of payment specified in Schedule "D". The Capital Contribution was calculated as part of the GLPL Economic Evaluation Procedure using estimated costs as set out in Schedule "F".

Within 120 days after the Final In-Service Date, GLPL shall provide the Load Customer with an invoice or credit memorandum including a revised Economic Evaluation based on Actual Costs which shall indicate whether the amounts already paid by the Load Customer exceeds or is less than the Actual Cost of the GLPL Connection Work – Recoverable – New Load Customer Facilities and/or the Capital Contribution related to GLPL Connection Work – Recoverable – Connection Facilities and GLPL Connection Work – Recoverable – Network Facilities (if necessary) based on Actual Cost. Any difference between said Actual Cost of GLPL Connection Work – Recoverable – New Load Customer Facilities (plus applicable taxes) and the Capital Contribution based on Actual Cost, and the amounts already paid by the Load Customer in respect of Actual cost and/or Capital Contribution shall be paid within 30 days after the rendering of the said invoice or credit memorandum, (i) by GLPL to the Load Customer, if an amount already paid by the Load Customer in respect of the GLPL Connection Work – Recoverable – New Load Customer Facilities and/or Capital Contribution exceeds the GLPL Connection Work – Recoverable – New Load Customer Facilities and/or Capital Contribution based on Actual Cost (plus applicable taxes), or (ii) by the Load Customer to GLPL, if the amount already paid by the Load Customer in respect of the GLPL Connection Work – Recoverable – New Load Customer Facilities and/or Capital Contribution is less than the GLPL Connection Work – Recoverable – New Load Customer Facilities and or Capital Contribution based on Actual Cost (plus applicable taxes).

GLPL shall also provide to the Load Customer together with the final invoice or credit memorandum, a new Schedule "F" to replace Schedule "F" of this Agreement attached hereto and said new Schedule "F" shall be made a part hereof as though it had been originally incorporated into this Agreement.

18 (b) In addition to the final invoice or credit memorandum to be provided by GLPL in accordance

with Section 18 (a) above, GLPL shall also provide the Load Customer with a Statement of Actual Costs in the form attached hereto as Schedule "E" and said new Schedule "E" shall be made a part hereof as though it had been originally incorporated into this Agreement.

### **True-up Calculations**

19. GLPL shall carry out true-up calculations; based on actual customer load, at the following true-up points and at the time of disconnection where the Load Customer voluntarily and permanently disconnects the Existing Load Customer Facilities and New Load Customer Facilities from GLPL's transmission facilities and prior to the final True-up identified below:

*(Only include one of the following section 19 (a) based on the Load Customer's Economic Evaluation Period.)*

#### **Applicable to 5 Year Economic Evaluation Period (Based upon Load Customer Financial Risk Classification):**

19 (a) True-ups will commence at the end of each year of operation, (first anniversary of the Initial In-Service Date), for five years. Each true-up shall use the same methodology used to carry out the initial economic evaluation, 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.

#### **Applicable to 10 and 15 Year Economic Evaluation Period (Based upon Load Customer Financial Risk Classification):**

19 (a) True-ups will commence at the end of each of the third, fifth and tenth year of operation, (third, fifth and tenth anniversary of the Initial In-Service Date). Each true-up shall use the same methodology used to carry out the initial economic evaluation, 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.

#### **Applicable to 25 Year Economic Evaluation Period (Based upon Load Customer Financial Risk Classification):**

19 (a) True-ups will commence 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 percent higher or lower than the initial load forecast at the end of the tenth year of operation, (fifth, tenth and fifteenth anniversary of the Initial In-Service Date). Each true-up shall use the same methodology used to carry out the initial economic evaluation, 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.

19 (b) For each true-up period, based on the actual load and load forecast of the Load Customer, if the actual

Transformation Connection Rate Revenue and/or actual Line Connection Rate Revenue received by GLPL is less than the forecast Transformation Connection Rate Revenue and/or forecast Line Connection Rate Revenue, the Load Customer shall make payment to GLPL in the amount of the shortfall adjusted to reflect the time value of money, no later than 30 days after the date of GLPL' invoice therefor.

19 (c) For each true-up period, based on the actual load and the initial load forecast of the Load Customer, if the actual Transformation Connection Rate Revenue and/or actual Line Connection Rate Revenue received by GLPL is more than the initial forecast Transformation Connection Rate Revenue and/or initial forecast Line Connection Rate Revenue specified for the period in question, GLPL will post the excess revenue as a credit to the Load Customer in a notional account. GLPL will apply this credit against any shortfall in subsequent true-up calculations. Where the Load Customer paid a Capital Contribution pursuant to section 18(a) of this Agreement, GLPL shall rebate the Load Customer an amount that is the lesser of the credit balance in the notional account adjusted to reflect the time value of money, and the Capital Contribution adjusted to reflect the time value of money no later than 30 days following the final True-up calculation.

19 (d) All adjustments to reflect the time value of money to be performed under subsections 19(b) and 19(c) above shall be performed in accordance with OEB-Approved Connection Procedures and the requirements of the Transmission System Code.

### **OEB Review**

20.1 Nothing contained within this Agreement shall preclude, prevent, prohibit or operate as a waiver of any of the parties rights to:

- (i) make application to the OEB;
- (ii) participate in any hearings before the OEB; or
- (iii) make any appeals to a court of competent jurisdiction regarding any decision by the OEB;

with respect to:

- (A) the cost and the allocation of the costs hereunder,
- (B) the cost and the allocation of costs of the GLPL Connection Work – Recoverable and Non-Recoverable notwithstanding GLPL's decision not to allocate or to allocate any part of the costs of this work to the Load Customer at this time; or
- (C) any other costs and the allocation of any other costs associated with, related to, or arising out of the connection of the Project to GLPL' transmission system or GLPL' policies in respect of connections generally.

20.2 GLPL shall refund to the Load Customer or the Load Customer shall pay to GLPL any portion of Capital Contributions, as the case may be, which the OEB subsequently determines should have been allocated in a manner different from that established under section 18(a).

### **Project Timelines**

21.1 Notwithstanding the generality of Section 32 below, the Load Customer hereby (a) forever releases and discharges GLPL from any and all claims, demands, actions and causes of action, including for any income or profits lost or costs incurred by the Load Customer which the Load Customer may now have or hereafter may have associated with and (b) indemnifies and shall hold harmless GLPL in respect of any and all claims, demands, actions and causes of action, including for any income or profits lost or costs incurred by a third party which the third party may now have or hereafter may have in respect of the Project and, associated with or arising out of GLPL not proceeding with the GLPL Connection Work within the timelines referenced in the System Impact Assessment dated (*insert date*), and in written communications made to GLPL by the IESO or not proceeding with the GLPL Connection Work at all subject to the Code section 12.1.3.

21.2 As the Project is schedule-driven and as the estimated costs in Section 18 of this agreement is based upon normal timelines for delivery of material and performance of work, in addition to the amounts that the Load Customer is required to pay pursuant to Section 18 above, the Load Customer agrees to pay GLPL's Premium Costs if the Load Customer causes or contributes to any delays, including, but not limited to, the Load Customer failing to execute this Agreement by the Execution Date specified in Schedule "D" of this agreement.

GLPL will obtain the Load Customer's approval prior to GLPL authorizing the purchase of materials or the performance of work that will attract Premium Costs.

The Load Customer acknowledges that its failure to approve an expenditure of Premium Costs may result in further delays and GLPL will not be liable to the Load Customer as a result therefor. The Load Customer shall pay any prior-approved Premium Costs within 30 days after the date of GLPL's invoice therefor.

22.1(a) If the Connection is cancelled, or this Agreement is terminated for any reason whatsoever other than breach of this Agreement by GLPL, the Load Customer shall pay GLPL's Actual Costs associated with the GLPL Connection Work and arising from activities undertaken by GLPL in respect of the GLPL Connection Work on and prior to the date that the Connection Work is cancelled or this Agreement is terminated and arising from activities undertaken by GLPL in respect of the cancellation of the Connection Work, including the preliminary design costs and all costs associated with the winding up of the GLPL Connection Work, including, but not limited to, purchase order cancellation charges and penalties, equipment purchase, storage costs, facility removal expenses and any environmental remediation costs. In particular where the Connection Materials have been installed by GLPL the Load Customer shall be liable for GLPL's Actual Costs and shall also be liable for any costs

associated with the installation and the removal of the Connection Materials that have been installed by GLPL including costs to restore the site to the original or acceptable configuration at GLPL's discretion. Within 60 days after the completion of the restoration of the site, GLPL shall provide the Load Customer with a final invoice or credit memorandum which shall indicate whether the amounts already paid by the Load Customer exceed or are less than the Actual Costs required above.

(b) If the Load Customer wishes to defer the Connection, then the Load Customer shall give notice to GLPL in writing and the Parties will negotiate the terms of such deferral. Notwithstanding, any negotiation undertaken by the Parties, the Load Customer shall indemnify and save GLPL harmless in respect of any and all Actual Costs incurred by GLPL associated with the GLPL Connection Work and arising from activities undertaken by GLPL in respect of the GLPL Connection work on or prior to the date the Load Customer notifies GLPL in writing of the Load Customer's wish to defer the Connection.

22.2 The Load Customer shall pay GLPL's Actual Costs which become payable under Section 22.1 above within 30 calendar days after the date of GLPL's invoice therefor.

#### **Assignment**

23. In the event that the Load Customer sells, leases or otherwise transfers or disposes of all or part of the New and/or Existing Load Customer Facilities to a third party during the Term of this Agreement, the Load Customer shall cause the purchaser, lessee or other third party to whom the New and/or Existing Load Customer Facilities are transferred or disposed to enter into an assumption agreement with GLPL on terms and conditions acceptable to GLPL to assume all of the Load Customer's obligations in this Agreement; and notwithstanding such assumption agreement, the Load Customer shall remain obligated to pay the amounts thereafter payable pursuant to Sections 18, 21, 22.1, 22.2, 27 and 46 hereof by the purchaser, lessee or other third party in the case of a transfer or disposition.

#### **Security Requirements**

24. The Load Customer, whenever required by GLPL to do so, shall furnish security satisfactory to GLPL for the performance by the Load Customer of its obligations for costs documented in Schedule "D" under this Agreement. The security for the purpose for which it is provided may be an irrevocable letter of credit given by a bank chartered in Canada, a surety bond given by a surety company, negotiable bonds or a cash deposit. An alternate form of security, if satisfactory to GLPL, would be an irrevocable corporate guarantee from a Load Customer's affiliated company. The security provided shall not exceed the remaining amounts owing for costs plus GLPL Connection Work – Non-

Recoverable – Network Facilities documented in Schedule "D" under this Agreement.

By no later than the date specified in Schedule "D" as the Security Date, the Load Customer shall provide GLPL with security as specified in Schedule "D".

The Load Customer, if not in default under this Agreement shall be entitled to:

- (a) the interest payable on negotiable bonds held as security or
- (b) the interest on returned cash deposits at the following rates:
  - i. for the period between the date on which the security deposit was provided by the Load Customer and the date on which the security deposit is required to be returned by GLPL, at the average over the period of the prime lending rate set by the Bank of Canada less two percent; and
  - ii. for the period after the date on which the security deposit is required to be returned by GLPL, at the prime lending rate set by the Bank of Canada plus two percent.

Where the security deposit is in the form of cash, GLPL shall return the security deposit to the Load Customer, together with interest less the amount of any Capital Contribution owed by the Load Customer, once the Load Customer's facilities are connected to GLPL's transmission facilities. Where the security deposit is in a form other than cash, GLPL shall return the security deposit to the Connection Applicant once the Connection Applicant's facilities are connected to GLPL's transmission facilities and any Capital Contribution has been paid.

Where the Load Customer has furnished any of the forms of security hereinbefore specified, the Load Customer if not in default as aforesaid shall have the right at any time to substitute for the security any other of the forms of security acceptable to GLPL. If at any time the security furnished to GLPL becomes unsatisfactory to GLPL, the Load Customer upon request of GLPL shall promptly furnish security, within five (5) business days of receipt of notice that is satisfactory to GLPL. Security held in regards to this Agreement shall be returned to the Load Customer once obligations are fulfilled subject to the Code sections 6.3.5(b), 6.3.9, 6.3.10, 6.3.11(c).

Where an affiliate guarantee has been furnished as security, if the Load Customer or an affiliate of the Load Customer, experiences a "material change in financial risk" as defined by the *Ontario Securities Act* (R.S.O. 1990) as amended, the Load Customer must advise GLPL within five (5) business days of the change, and GLPL shall have the right to require security in a different form. The Connection Applicant will have five (5) business days to comply with GLPL's request.

GLPL shall be entitled to keep, draw down, redeem etc., as the case may be, all or a part of a security deposit that has been given in relation to the construction or modification of connection or network facilities where the Load Customer subsequently fails to connect its facilities to GLPL's new or modified facilities.

Upon or any time after the occurrence of an Event of Default and the expiry of the rectification period set forth in Sections 27, GLPL may do any one or more of the following:

- (i) exercise its rights and remedies as a secured Party with respect to all security, including any such rights and remedies under Applicable Laws then in effect;
- (ii) exercise its rights of set-off against any and all property of the Load Customer in the possession of GLPL or its agent;
- (iii) draw on any outstanding letter of credit issued for its benefit; and
- (iv) liquidate all security then held by or for the benefit of GLPL free from any claim or right of any nature whatsoever of the Load Customer, including any equity or right of purchase or redemption by the Load Customer.

GLPL shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Load Customer's obligations under this Agreement (the Load Customer remaining liable for amounts owing to GLPL after such application), subject to GLPL's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

### **Easement**

25. If specified in Schedule "D" that an easement is required, the Load Customer shall or the Load Customer shall cause the third party specified in Schedule "D" to grant an easement to GLPL substantially in the form of the easement attached hereto as Schedule "I" or a form of easement agreeable to the Parties for the property described as the Easement Lands in Schedule "D" by no later than the date specified as the Easement Date in Schedule "D" (hereinafter referred to as the "Easement") with good and marketable title thereto, free of all encumbrances, first in priority except as noted herein, and in registerable form, in consideration of the sum of \$2.00.

The above Easement shall be for the Easement Term specified in Schedule "I" which will commence on the Easement Date provided that in the event that GLPL removes the asset that is the subject of the Easement during the Easement Term, GLPL shall surrender the Easement at that time. Subject to the foregoing, the Easement shall survive the termination of this Agreement.

### **Events of Default**

26. Each of the following events shall constitute an "Event of Default" under this Agreement:

- (a) failure by the Load Customer to pay any amount due under this Agreement within the time stipulated for payment;
- (b) breach by the Load Customer or GLPL of any Material term, condition or covenant of this Agreement;
- (c) if a Party takes any action in respect of liquidation or winding up, or makes an assignment for the benefit of creditors, or makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable statute of any applicable jurisdiction, or if a custodian or receiver or receiver and manager or any other official with similar power is appointed for the said Party, or a substantial portion of said party's properties and assets and such appointment is not dismissed within 10 calendar days, or if a bankruptcy or similar petition with respect to the bankruptcy, or other enforced liquidation of said Party is presented or filed against it unless same is dismissed or discharged within 30 days and during which grace period execution thereunder is effectively stayed.
- (d) any other Events of Default specified in Schedule "D".

For greater certainty, a Dispute shall not be considered an Event of Default under this Agreement. However, a Party's failure to comply within a reasonable period of time, with terms of a determination of such a Dispute by the OEB or with a decision of a court of competent jurisdiction with respect to determination made by the OEB shall be considered an Event of Default under the Agreement.

27. In the Event of Default by the Load Customer hereunder (other than the Event of Default specified in Subsection 26(c) of this Agreement, for which no notice is required or period of rectification is to be given by GLPL and in respect of which GLPL may immediately terminate this Agreement), GLPL shall give the Load Customer written notice of the Event of Default and allow the Load Customer 30 days from the date of receipt of the notice to rectify the Event of Default, at the Load Customer's sole expense. If such Event of Default is not cured to GLPL's reasonable satisfaction within the 30-day period, GLPL may, in its sole discretion, exercise the following remedy in addition to any remedies that may be available to GLPL under the terms of this Agreement, at common law or in equity: deem this Agreement to be terminated and, after giving the Load Customer at least 10 days' prior written notice thereof, GLPL may; (i) in accordance with Section 24, retain, and if applicable, enforce its interests in respect of any security provided by the Load Customer and as described in Schedule "D" hereto and (ii) recover, as liquidated damages and not as a penalty, the amounts



payable by the Load Customer pursuant to Sections 18, 21, 22.1, 22.2 and 46 hereof.

28. In the Event of Default by GLPL hereunder (other than the Event of Default specified in Subsection 26(c) of this Agreement, for which no notice is required to be given by the Load Customer or period of rectification and in respect of which the Load Customer may immediately terminate this Agreement), the Load Customer shall give GLPL written notice of the Event of Default and shall allow GLPL 30 days from the date of receipt of the notice to rectify the Event of Default at GLPL's sole expense. If such Event of Default is not cured to the Load Customer's reasonable satisfaction within the 30-day period, the Load Customer may pursue any remedies available to it at law or in equity, including at its option the termination of this Agreement.

29. All rights and remedies of GLPL and the Load Customer provided herein are not intended to be exclusive but rather are cumulative and are in addition to any other right or remedy otherwise available to GLPL and the Load Customer respectively at law or in equity, and any one or more of GLPL's and the Load Customer's rights and remedies may from time to time be exercised independently or in combination and without prejudice to any other right or remedy GLPL or the Load Customer may have or may have exercised. The parties further agree that where any of the remedies provided for and elected by the non-defaulting Party are found to be unenforceable, the non-defaulting Party shall not be precluded from exercising any other right or remedy available to it at law or in equity.

#### **Connection Agreement and Transmission System Code**

30. The Connection Agreement as set forth in the Transmission System Code requires the Load Customer to execute a Connection Agreement with GLPL prior to commissioning and Initial In-Service of the New and/or modified Existing Load Customer facilities as specified in Schedule "D" as the CA Execution Date.

#### **Liability and Force Majeure**

31. Despite the foregoing, neither Party shall be liable under any circumstances whatsoever for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential or incidental damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in statute, contract, tort or otherwise.

In any event, the total liability of GLPL to the Load Customer for any and all claims for damages under this Agreement whether it arises by statute, contract, tort or otherwise, will not exceed the Actual Cost recoverable from the Load Customer of the GLPL Connection Work.

This provision shall survive the termination of this Agreement.

32. Neither Party shall be considered to be in default in the performance of its obligations under this Agreement, except obligations to make payments with respect to amounts already accrued, to the extent that performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of, and not a result of the fault or negligence of, the affected Party ("Force Majeure") and includes, but is not limited to, strikes, lockouts and any other labour disturbances and manufacturer's delays for equipment or materials required for the GLPL Connection Work. The non-affected Party shall be relieved of any obligation hereunder during the continuation of the event of Force Majeure.

If a Party is prevented or delayed in the performance of any such obligation by Force Majeure, such Party shall immediately provide notice to the other Party of the circumstances preventing or delaying performance and the expected duration thereof. Such notice shall be confirmed in writing as soon as reasonably possible. The Party so affected by the Force Majeure shall endeavour to remove the obstacles which prevent performance and shall resume performance of its obligations as soon as reasonably practicable, except that there shall be no obligation on the Party so affected by the Force Majeure where the event of Force Majeure is a strike, lockout or other labour disturbance.

#### **Mutual Obligations**

33. Within 30 days of the date hereof or another mutually agreed date, the Parties agree to establish a project management and communications protocol (the "Protocol") to be used by the Parties during the Term of this Agreement. The Protocol will address such matters as:

- (a) cancellation of outages;
- (b) proposed changes to the scope of work;
- (c) the contacts for day to day issues;
- (d) the manner in which information requests are to be made; and
- (e) how any other issues that may arise with respect to the Connection, including, but not limited to, the GLPL Connection Work and the Load Customer Connection Work, are to be communicated to the other Party.

34. Each Party agrees that it shall at all times act reasonably in the performance of its obligations and the exercise of its rights under this Agreement.

## **General**

35. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement. Schedules "A", "B", "C" "D", "E", "F", "G", "H" and "I" attached hereto and any Exhibits referenced in those aforementioned Schedules are to be read with and form part of this Agreement.

36. The failure of any Party hereto to enforce at any time any of the provisions of this Agreement or to exercise any right or option which is herein provided shall in no way be construed to be a waiver of such provision or any other provision nor in any way affect the validity of this Agreement or any part hereof or the right of any Party to enforce thereafter each and every provision and to exercise any right or option. The waiver of any breach of this Agreement shall not be held to be a waiver of any other or subsequent breach. Nothing shall be construed or have the effect of a waiver except an instrument in writing signed by a duly authorized officer of the Party against whom such waiver is sought to be enforced which expressly waives a right or rights or an option or options under this Agreement.

37. Any written notice required by this Agreement shall be deemed properly given only if either mailed or delivered to the person at the address specified in Schedule "D" on behalf of GLPL, and to the person at the address specified in Schedule "D" on behalf of the Load Customer.

A faxed notice will be deemed to be received on the date of the fax if received before 4 p.m. or on the next business day if received after 4 p.m. Notices sent by courier or registered mail shall be deemed to have been received on the date indicated on the delivery receipt. The designation of the person to be so notified or the address of such person may be changed at any time by either Party by written notice.

38. Each Party acknowledges and agrees that it has participated in the drafting of this Agreement and that no portion of this Agreement shall be interpreted less favourably to either Party because that Party or its counsel was primarily responsible for the drafting of that portion.

39. No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the parties with the same degree of formality as the execution of this Agreement.

40.1 Confidential Information shall at all times be treated as confidential, and shall be prepared, given, and used in good faith. The Parties shall use the Confidential Information only for the requirements of the work being performed including, but not limited to, planning or operating the Connection facilities or GLPL's transmission system, and not for any other purpose, and shall not disclose it to any third party, directly or

indirectly, without the prior written consent of the Party that provided the Confidential Information, and in such events the third party shall agree to use the Confidential Information solely for the requirements of the work as specified. Confidential Information shall not be used for any commercial purpose of any kind whatsoever other than contemplated herein.

40.2 "Confidential Information" does not include:

- (a) information that is in the public domain, provided that specific items of information shall not be considered to be in the public domain merely because more general information is in the public domain and provided that the information is not in the public domain as a result of a breach of confidence by the Party seeking to disclose the information or a person to whom it has disclosed the information;
- (b) information that is, at the time of the disclosure, in the possession of the recipient, provided that it was lawfully obtained either from the other Party or from sources, who did not acquire it directly or indirectly from the other Party under an obligation of confidence; and
- (c) information that must be disclosed in compliance with a judicial or governmental order or other legal process.

40.3 Each Party shall keep Confidential Information confidential except:

- (a) where required under the Transmission System Code, the *Market Rules*, the IESO Market Manuals, or a Party's License;
- (b) to the extent required by applicable law;
- (c) where required by order of a government, government agency or regulatory body or agency having jurisdiction;
- (d) if required in connection with legal proceedings, arbitration or any expert determination relating to the subject matter of the Transmission System Code, or for the purpose of advising GLPL in relation thereto;
- (e) where permitted by any applicable connection agreement;
- (f) as may be required in an emergency or to prevent an emergency; or
- (g) as may be required to enable a Party to fulfill its obligation to any reliability organization.

40.4 The Parties shall make any information required to be provided or communicated under the terms of this Agreement available to each other in a timely and co-operative manner.

40.5 The confidentiality provisions of this section 40 will continue and survive for a period of 5 years after the termination of this Agreement.

41. Unless otherwise specified, references in this Agreement to Sections or Schedules are to sections, articles and Schedules of this Agreement. Any reference in this Agreement to any statute, regulation, any OEB approved documents or any section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute, regulation, document or section as amended, restated or re-enacted from time to time. The insertion of headings is for convenience only, and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, words importing the singular include the plural and vice versa.

42. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. Prior to the existence of OEB-Approved Connection Procedures either party may refer a Dispute to the OEB for a determination. Once there are OEB-Approved Connection Procedures, Disputes shall be dealt with in accordance with the dispute resolution procedure set out in the OEB-Approved Connection Procedures.

43. This Agreement may be executed in counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

44. Sections 17, 18, 19, 20.1, 20.2, 21.1, 21.2, 22.1, 22.2, 24 and 40.5 shall survive the termination of this Agreement.

45. In the event the Transmission System Code is amended such that any provision of this Agreement is rendered illegal or unenforceable or a Party is materially and adversely affected in respect of fulfilling its obligations under this Agreement, the Load Customer and GLPL agree to negotiate in good faith such changes to this Agreement to implement such amendments to the Transmission System Code.

46. Invoiced amounts are due 30 days after invoice issuance. All overdue amounts including, but not limited to amounts that are not invoiced but required under the terms of this Agreement to be paid in a specified time period, shall bear interest at 1.5% per month compounded monthly (19.6 percent per year) for the time they remain unpaid.

47. This Agreement is subject to the Transmission System Code and if any provision of this Agreement is inconsistent with the Transmission System Code the said provision shall be deemed to be amended so as to comply with the Transmission System Code. In the event of an inconsistency between this Agreement and a Connection Agreement between the parties, associated with the new customer connection facilities, on the same subject matter the Connection Agreement governs. This Agreement is also subject to any changes where the Board has amended the GLPL Customer Connection Procedures.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by the signatures of their proper officers, as of the day and year first written above.

**GREAT LAKES POWER LIMITED**

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Name:  
Title:

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Name:  
Title:

**We have the authority to bind the Corporation.**

**(Insert: CORPORATE NAME OF THE LOAD CUSTOMER)**

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Name:  
Title:

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Name:  
Title:

**I/We have the authority to bind the Corporation.**

## Schedule "A": Definitions

In the Agreement, unless the context otherwise requires, terms which appear therein without definition, shall have the meanings respectively ascribed thereto in the *Transmission System Code* and unless there is something in the subject matter or context inconsistent therewith, the following words shall have the following meanings:

**"Actual Cost"** means GLPL's charge for engineering, labour, material, equipment, administration and direct and indirect overheads and interest thereon.

**"Agreement"** means the Connection Cost Recovery Agreement, Schedules "A" to "I" attached thereto.

**"Applicable Laws"**, means any and all applicable laws, including environmental laws, statutes, codes, licensing requirements, treaties, directives, rules, regulations, protocols, policies, by-laws, orders, injunctions, rulings, awards, judgments or decrees or any requirement or decision or agreement with or by any governmental or governmental department, commission, board, court authority or agency.

**"Approval Date"** means for the purpose of Subsection 10(h) of this Agreement, the date specified in Schedule "D" of this Agreement.

**"Capital Contribution"** means a capital contribution calculated using the economic evaluation methodology set out in the *Transmission System Code*.

**"Confidential Information"** means:

- (i) all information disclosed by a Party to the other Party under this Agreement or in negotiating this Agreement which by its nature is confidential to the Party disclosing the information; and
- (ii) all interpretative reports or other data generated by a Party that are based in whole or in part on information that is made Confidential Information by section 40.

**"Connection"** means the connection of the New and/or Existing Load Customer Facilities to GLPL's transmission system at the Connection Point.

**"Connection Materials"** means the materials ordered by GLPL for the purpose of the Connection.

**"Connection Point"** means the point where the New and/or Existing Load Customer Facilities are connected to GLPL's transmission system.

**"Dispute"** means a dispute with respect to any matter under the Transmission System Code where either Party is alleging the other is: (i) seeking to impose a term that is inconsistent or contrary to the Ontario Energy Board Act, the Electricity Act, 1988, GLPL's transmission

license, or the Transmission System Code; or (ii) refusing to include a term or condition that is required to give effect to this Code or any of the transmitter's connection procedures.

**"Economic Evaluation Period"** Means the period of five (5) years for high risk connection, ten (10) years for a medium-high risk connection, fifteen (15) years for a medium-low risk connection and twenty-five (25) years for a low risk connection commencing on the Initial In-Service Date whichever is applicable to the Load Customer as specified in Schedule "D" of this Agreement.

**"Execution Date"** means for the purpose of Subsection 10(a) and Section 21.2 of this Agreement, the date specified in Schedule "D".

**"Existing Load Customer Facilities"** means any of the Load Customer's facilities that existed and were in-service connected to the GLPL transmission system prior to this new or modified Connection.

**"Final In-Service Date"** means the date on which all of the New and/or modified Existing Load Customer Facilities are in-service.

**"GLPL Connection Work"** means the work to be performed by GLPL, which is described in Schedule "B", attached to this Agreement and which is comprised of Recoverable and Non-Recoverable work.

**"GLPL Connection Work – Non-Recoverable"** means non-recoverable work required for the Connection associated with Network Facilities where the costs will not be allocated to the Load Customer as such Network Facilities are defined in the Transmission System Code.

**"GLPL Connection Work - Recoverable"** means recoverable work required for the Connection to cover the cost of work on New Load Customer Facilities and Line or Transformation Connection Facilities required to meet the Load Customer's needs and/or in exceptional circumstances Network Facilities (provided a direction is obtained from the OEB) where the costs will be allocated to the Load Customer as such Line and Transformation Connection and Network Facilities are defined in the Transmission System Code.

**"GLPL Connection Work – Recoverable – New Load Customer Facilities"** means recoverable work required for the Connection including design/drawing review, commissioning, inspection and testing associated with the New Load Customers Facilities.

**"GLPL Connection Work – Recoverable – Connection Facilities"** means recoverable work required for the Connection associated with Line and Transformation Connection Facilities as such Transformation and Line Connection Facilities are defined in the Transmission System Code.

**"GLPL Connection Work – Recoverable – Network Facilities"** means recoverable work required for the Connection associated with Network Facilities in exceptional circumstances (provided a direction is obtained from the OEB) as such Network Facilities are defined in the Transmission System Code

**"GLPL's Facilities"** means collectively the GLPL's Facilities - LV and the GLPL's Facilities - HV.

**"GLPL's Facilities - HV"** means the facilities owned by GLPL specified in Schedule "D" that convey electricity at voltages of more than 50 kilovolts.

**"GLPL's Facilities - LV"** means the facilities owned by GLPL specified in Schedule "D" that convey electricity at voltages of 50 kilovolts or less.

**"GLPL's Property(ies)"** means any lands owned by GLPL in fee simple or where GLPL now or hereafter has obtained easement rights.

**"GST"** means the Goods and Services Tax.

**"Initial In-Service Date"** means the date that the IESO has initially allowed some or all of the New Load Customer Facilities to be placed in service.

**"Line Connection Rate Revenue"** means the amount of line connection rate revenue (estimated or actual) attributed to that part of the Load Customer's New Load to be received by GLPL through the monthly collection of the Line Connection Service Rate during the Economic Evaluation Period specified in Schedule "F" of this Agreement.

**"Load Customer Connection Work"** means the work to be performed by the Load Customer, at its sole expense where the Load Customer will own the facility or where, subject to a transfer price, the facility will be owned by GLPL after transfer to GLPL, which is described in Schedule "C" attached to this Agreement.

**"Load Customer Financial Risk Assessment"** is as specified in Schedule "F" of this Agreement.

**"Load Customer's Property(ies)"** means any lands owned by the Load Customer in fee simple or where the Load Customer has easement rights.

**"Material"** relates to the essence of the contract, more than a mere annoyance to a right, but an actual obstacle to the performance or exercise of a right.

**"New Load Customer Facilities"** means the facilities owned by the Load Customer and specified in Schedule D as 'New or Modified Facilities' and 'New Transmission Facilities'.

**"Non-Load Customer Initiated Scope Change(s)"** means one or more changes that are required to be made

to the Scope of the Project such as a result of any one or more of the following:

- any environmental assessment(s);
- requirement for GLPL to obtain approval under Section 92 of the *Ontario Energy Board Act* if the transmission line route selected by GLPL is greater than 2 km in length;
- conditions included by the OEB in any approval issued by the OEB under Section 92 of the *Ontario Energy Board Act*; and
- any IESO requirements identified in the System Impact Assessment or any revisions thereto.

**"OEB-Approved Connection Procedures"** means GLPL's connection procedures as approved by the OEB.

**"Premium Costs"** means those costs incurred by GLPL in order to maintain or advance the Ready for Service Date, including, but not limited to, additional amounts expended for materials or services due to short time-frame for delivery; and the difference between having GLPL's employees, agents and contractors perform work on overtime as opposed to during normal business hours.

**"Project"** means construction of the New Load Customer Facilities including the Load Customer Connection work.

**"Ready for Service Date"** means the date upon which the GLPL Connection Work is fully and completely constructed, installed, commissioned and energized to the Connection Point. The Load Customer's disconnect switches must be commissioned prior to this date in order to use them as isolation points.

**"Term"** has the meaning hereto as ascribed in Section 2. of this agreement.

**"Transformation Connection Rate Revenue"** means the amount of transformation connection rate revenue (estimated or actual) attributed to that part of the Load Customer's New Load to be received by GLPL through the monthly collection of the Transformation Connection Rate Revenue during the Economic Evaluation Period specified in Schedule "F" of this Agreement.

**"Transmission System Code"** means the code of standards and requirements issued by the OEB, dated July 25, 2005 that came into force August 20, 2005 as published in the Ontario Gazette, as it may be amended from time to time.

**"True-up"** means the calculation to be performed by GLPL, as a transmitter, at each true-up point in accordance with the requirements of Subsection 6.5.4 of the *Transmission System Code*.

**Schedule "B": GLPL Connection Work**

GLPL will provide project management, engineering, equipment and materials, construction, commissioning and energization for all work pertaining to the Connection.

*(Describe work under the following headings as defined in Schedule "A". Larger projects can be divided into parts for clearer description of the Work.)*

**Recoverable**

1. New Load Customer Facilities  
*(perform)*  
*(Includes review of Load Customer specifications/drawings and inspection, testing and witnessing of commissioning of the New Load Customer's Facilities)*
2. Transformation Connection Facilities (uncontestable)  
*(install/provide/perform)*
3. Transformation Connection Facilities (contestable)  
*(install/provide/perform)*  
*(Includes the development of technical requirements and specifications for work to be completed by the Load Customer with the facilities transferred to GLPL and the review of Load Customer specifications/drawings and inspection, testing and witnessing of commissioning of the facilities to be transferred.)*
4. Line Connection Facilities (uncontestable)  
*(install/provide/perform)*
5. Line Connection Facilities (contestable)  
*(install/provide/perform)*  
*(Includes the development of technical requirements and specifications for work to be completed by the Load Customer with the facilities transferred to GLPL and the review of Load Customer specifications/drawings and inspection, testing and witnessing of commissioning of the facilities to be transferred.)*
6. Network Facilities  
*(install/provide/perform)*  
*(This work is recoverable only if GLPL applies to the OEB as per the Code section 6.5.3 and the Board has provided GLPL with direction.)*

**Non-Recoverable**

1. Network Facilities  
*(install/provide/perform)*

## Schedule "C": Load Customer Connection Work

*(Schedule "C" is to be revised and specified in detail based on actual design requirements for the connection.)*

### Part 1: Load Customer Election

Load Customer must select one of the following options regarding the construction and ownership of contestable facilities:

1. GLPL built and owned (pool funded)
2. Load Customer built and transferred to GLPL (pool funded)
3. Load Customer built and owned (not pool funded)

The Load Customer selects Option "X" for this Project.

For Option 2 the Load Customer will do the following contestable work where the facilities will be transferred to GLPL:

1. Transformation Connection Facilities (contestable)

*(install/provide/perform)*

2. Line Connection Facilities (contestable)

*(install/provide/perform)*

### Part 2: General Project Requirements:

The Load Customer will:

- (a) enter into a Connection Agreement with GLPL at least 14 days prior to the first Connection;
- (b) ensure that project data is made available or provided to GLPL as required by GLPL;
- (c) ensure that the work performed by the Load Customer and others required for successful installation, testing and commissioning of protective and metering equipment is completed as required to enable GLPL witnessing and testing to confirm satisfactory performance of such systems;
- (d) install metering facilities in accordance with the *Market Rules*;
- (e) provide a dedicated communication circuit for remote access to the metering equipment in accordance with the *Market Rules*;
- (f) provide a dedicated telephone for direct communication between GLPL System Control Centre operators and the Load Customer Control Room Operator on a 24 hour / 7 days a week basis;

(g) provide any hardware required to connect to GLPL's transmission System;

(h) provide coordination of protections; and

(i) any other requirements specific to the Connection

### Part 2: Line tap

By *(insert date)*, the Load Customer will:

### Part 3: Teleprotection at the New Facility

By *(insert date)*, the Load Customer will provide teleprotection for *(insert name of GLPL's Facilities)* based on the following design considerations:

- ABB NSD70 equipment or DTT circuits or equivalent if required.
- Minimum of two to four tones or DDT circuits per transmission line.
- Dual power supplies.
- Dual channel transfer trip and/or dual channel blocking signal as required.
- Leased circuits or equivalent with redundant paths if required.

### Part 4: SCADA RTU

By *(insert date)*, the Load Customer will:

- Provide SCADA RTU functionality to meet GLPL configuration and communications protocol and to comply with IESO technical and performance requirements.
- Provide a port and a modem to transmit to GLPL the required telemetry quantities. The modem and protocol details will be to GLPL's requirements.

### Part 5: Telecommunications

By *(insert date)*, the Load Customer will:

- Provide communications cable entrance facilities and cable protection at the New Load Customer Facility.
- Be responsible for all monthly leasing costs and the yearly leasing charge (per pair) for GLPL's neutralizing transformer capacity if required.
- Provide dual circuit routing if required.

### Part 6: Revenue Metering

By *(insert date)*, the Load Customer will:

- Provide revenue metering system to IESO requirements including communication facilities.

- Provide GLPL with the station single line diagram showing the revenue metering system. The single line diagram will be included in the Connection Agreement.

**Part 7: Documentation**

By the specified date, the Load Customer shall have provided GLPL with the following Connection Interface Documents for review by GLPL in the Design & Build phase:

**Group A: (insert date),**

- System 1 line drawing showing ratings of all electrical equipment, such as circuit switchers, disconnect switches, bushing potential devices, CVTs, power transformers, grounding transformers, grounding resistors, breakers, etc.
- GPR study and associated station ground design.
- Entrance structure (electrical & structural)
- General arrangement of the New Load Customer Facilities.
- Location of GLPL equipment.

**Group B: (insert date),**

- DC station service 1 line drawing showing ratings of all electrical equipment such as batteries, chargers, etc.
- Information on switchgear fault ratings
- HV surge arrester specification
- RTU configuration/communications protocol
- Teleprotection AC and DC EWD including information on proposed vendor equipment
- Line protection AC and DC EWD
- Transformer and LV bus protection AC and DC EWD •
- HV circuit switcher or HV disconnect switch and HV breaker AC and DC EWD
- LV breaker (transformer and bus tie breakers) AC and DC EWD
- Breaker failure (HVI, transformer & bus tie breakers) AC and DC EWD
- HV equipment operating and protection philosophy
- Line design specification
- Special Protection System AC and DC EWD

**Group C: (insert date),**

- Power transformer nameplate ratings
- Relay settings including relay logic diagrams, coordination studies and fault calculations.
- Commissioning procedure

**General**

- Identify all submitted documents with revision numbers and/or dates in a transmittal.
- All submitted Connection Interface Documents are to be sent via courier from the Connection

Applicant to the GLPL contact and are to be sent via email (one electronic copy) to the GLPL contact.

- All submitted drawings are to be submitted in full size, folded & collated into packages for GLPL internal distribution. For example, if there are two sets, then we should expect two packages in one courier package.
- Number of Sets:
  - All 1 lines/four sets
  - General arrangements/two sets
  - All other drawings/documents/two sets

**Part 8: Special Protection Systems**

The Load Customer shall ensure that the Load Rejection Scheme(s) as required by the IESO in their System Impact Assessment (SIA) have been successfully installed, tested and commissioned before connecting to GLP system. The Load Customer will inform GLPL 30 business days prior to commissioning of the Load Rejection Scheme(s) and GLP will retain the right to witness the testing and commissioning to confirm satisfactory performance of such systems at the sole discretion of GLP.

By (insert date), the Load Customer will have commissioned the Load Rejection Scheme(s).

**Part 9: Commissioning**

The Load Customer must submit their commissioning procedure by the date as specified in Part 7: Documents Group C. As per the Transmission System Code GLP reserves the right to inspect, test and witness the commissioning of the New and/or modified Existing Load Customer Facilities that could affect the performance of the transmission system.



**Schedule "D":**

**PART 1: ACTUAL COST OF GLPL CONNECTION WORK**

*(Complete this Part 1 by filling in applicable sections and showing zero costs for any sections that do not apply.)*

**Estimate:** The estimate of the Actual Cost of the GLPL Connection Work (excluding GST) as set out in Schedule "E" is summarized as follows:

**1.0 Recoverable**

New Load Customer Facilities \$(insert number)

**1.1 Schedule of payments to recover New Load Customer Facilities work:**

Deposit of 10% (due before execution) of *(Insert number in words)* dollars *\$(Insert number).00)*

Scheduled Payments:  
(month/day/year) *\$(Insert number).00)*  
(month/day/year) *\$(Insert number).00)*

**2.0 Recoverable**

The total (2.1 + 2.2 + 2.3) GLPL Connection Work estimated cost recoverable from the Load Customer using the GLPL Economic Evaluation Procedure (refer to Appendix F for details) approved by the Board is *(Insert number in words)* dollars *\$(Insert number).00)*.

**2.1 Transformation Connection Facilities**

Connection Facilities \$(insert number)

**2.2 Line Connection Facilities**

Connection Facilities \$(insert number)

**2.3 Network Facilities**

*(only insert this data if GLPL has applied to and obtained direction from the OEB for recovery of Network costs from the Load Customer.)*

Network Facilities \$(insert number)

**2.4 Capital Contribution**

The Load Customer's load forecast and estimated Transformation and/or Line Connection Rate Revenue used in the Financial Evaluation Procedure are listed in Schedule "F" of this Agreement.

**Capital Contribution<sup>1</sup>:** *(Insert number in words)* dollars *\$(Insert number).00)* based on estimated costs for both transformation and line connection facilities and if directed by the OEB network facilities.

**2.5 Schedule of payments to recover the Capital Contribution:**

Scheduled Payments:  
(month/day/year) *(Insert number in words)* dollars *\$(Insert number).00)*  
(month/day/year) *(Insert number in words)* dollars *\$(Insert number).00)*

**3.0 Non-Recoverable**

Network Facilities \$(insert number)

As noted above, GST is not included in the estimate of the Actual Cost of the GLPL Connection Work and will be collected when GLPL renders the invoice or credit memorandum in accordance with Section 18 hereof.

The estimate of Actual Cost of the GLPL Connection Work is based on the preliminary estimate provided to the Load Customer on *(insert date)* for transmission connection plus the additional estimate for GLPL review and commissioning costs associated with the New Load Customer Facilities. The estimate does not include any telecommunication costs which are the Load Customer's responsibility.

**PART 2: USE OF EXISTING AND NEW GLPL FACILITIES**

Following the Connection, the following are GLPL's Facilities for the purposes of this Agreement:

**GLPL's Facilities -HV:**

*(insert description of facilities)*

**GLPL's Facilities -LV:**

*(insert description of facilities)*

<sup>1</sup> Cross-reference section 18 (a).

**Normal Supply Capacity of Lines:**

| <b>Circuit Designation</b> | <b>Conductor Size</b> | <b>Summer Rating (Amps)</b> | <b>Winter Rating (Amps)</b> |
|----------------------------|-----------------------|-----------------------------|-----------------------------|
|                            |                       |                             |                             |
|                            |                       |                             |                             |
|                            |                       |                             |                             |

Note:

The lines are continuously rated for the following system conditions: sheltered, 4 km/hr wind and 30°C summer and 10°C winter ambient temperatures respectively.

**PART 3: MISCELLANEOUS**

**Connection Point Description (Ownership):**

*(insert description)*

This statement will be used in the Connection Agreement.

**New Load Customer Facilities:**

e.g. *(insert total)* MVA load facility located at *(insert address)*, Ontario, being comprised of *(insert number of transformers and/or feeders)*.

**New Load Customer Transmission Facilities:**

e.g. a *(insert number)* km *(insert rating and description of Load Customer's transmission facilities)* commencing at *(insert station or junction)* and terminating at *(insert station or junction)*.

**Approval Date:<sup>2</sup>**

GLPL: *(insert date)*

Load Customer: *(insert date)*

**Ready for Service Date:<sup>3</sup>** *(insert date)*

**Initial In-Service Date:<sup>4</sup>** *(insert date)*

**Final In-Service Date:<sup>5</sup>** *(insert date)*

**Execution Date:<sup>6</sup>** *(insert date)*

**Documentation Required:<sup>7</sup>**

Documentation describing the as-built electrical characteristics of the New or modified Existing Load Customer Facilities as documented in Schedule C Part 7.

<sup>2</sup> Cross-reference Section 10.

<sup>3</sup> Cross-reference Section 10.

<sup>4</sup> Cross-reference Section Appendix A.

<sup>5</sup> Cross-reference Section 18 (a) & Appendix A.

<sup>6</sup> Cross-reference Section 10.

<sup>7</sup> Cross-reference Subsection 17(f).

**Security Requirements:<sup>8</sup>**

The Load Customer is required to provide GLPL with security in the amount of *(insert words)* dollars (*Insert Numbers*) in the form of *(insert form of Security)*.

**Security Date:<sup>9</sup>** *(insert date)*

**Easement Required:<sup>10</sup>** Yes or No

**Name of Third Party for Easement:<sup>11</sup>**

**Easement Date:<sup>12</sup>** *(insert date)*

**Easement Lands:**

**Event of Default:<sup>13</sup>**

**Load Customer Notice Info:<sup>14</sup>**

**Attention:**

**Address:**

**Fax No.:**

**GLPL Notice Info:<sup>15</sup>**

**Attention:**

**Address:**

**Fax No.:**

**Connection Agreement Signed:<sup>16</sup>**

**CA Execution Date:** *(insert date)*

**Load Customer's GST #:<sup>17</sup>** *(insert number)*

**GLPL's GST #:<sup>18</sup>** *(insert number)*

<sup>8</sup> Cross-reference Section 24.

<sup>9</sup> Cross-reference Section 24.

<sup>10</sup> Cross-reference Section 25.

<sup>11</sup> Cross-reference Section 25.

<sup>12</sup> Cross-reference Section 25.

<sup>13</sup> Cross-reference Section 27. to 29.

<sup>14</sup> Cross-reference Section 37.

<sup>15</sup> Cross-reference Section 37.

<sup>16</sup> Cross-reference Section 30.

<sup>17</sup> Cross-reference Section 3.

<sup>18</sup> Cross-reference Section 3.

**Schedule "E": Statement of Estimate and Actual Costs**

| GLPL Project No.                                              | GLPL Project 1 – |        | GLPL Project 2 – |        |
|---------------------------------------------------------------|------------------|--------|------------------|--------|
|                                                               | Estimated        | Actual | Estimated        | Actual |
| I/S Date                                                      |                  |        |                  |        |
| GLPL Project Title                                            |                  |        |                  |        |
| Projection Description                                        |                  |        |                  |        |
| GLPL Engineering & Review                                     |                  |        |                  |        |
| GLPL Labour                                                   |                  |        |                  |        |
| GLPL Material                                                 |                  |        |                  |        |
| GLPL Equipment                                                |                  |        |                  |        |
| GLPL Commissioning (GLPL's facilities)                        |                  |        |                  |        |
| GLPL Project Management                                       |                  |        |                  |        |
| Inspection/Testing/Commissioning (Load Customer's facilities) |                  |        |                  |        |
| Direct Overheads*                                             |                  |        |                  |        |
| Indirect Overheads*                                           |                  |        |                  |        |
| GLPL Awarded Contracts for Line Tap and Station Work          |                  |        |                  |        |
| AFUDC                                                         |                  |        |                  |        |
| <b>Total K\$</b>                                              |                  |        |                  |        |

**Grand Total     \$ xxx.xk**

The overheads may not be permitted or subject to adjustment.

**Schedule "F": Economic Evaluation Procedure**

**1. Recoverable – Transformation Connection Facilities**

|                                                                              |                          |
|------------------------------------------------------------------------------|--------------------------|
| Transformation Connection Facilities (uncontestable)                         | \$(insert number)        |
| Transformation Connection Facilities (contestable)                           | \$(insert number)        |
| Transformation Connection Facilities to be transferred to GLPL (contestable) | \$(insert number)        |
| <b>Total Recoverable – Transformation Connection Facilities</b>              | <b>\$(insert number)</b> |
| <b>Capital Contribution – Transformation Connection Facilities</b>           | <b>\$(insert number)</b> |

**2. Recoverable – Line Connection Facilities**

|                                                                    |                          |
|--------------------------------------------------------------------|--------------------------|
| Line Connection Facilities (uncontestable)                         | \$(insert number)        |
| Connection Facilities (contestable)                                | \$(insert number)        |
| Line Connection Facilities to be transferred to GLPL (contestable) | \$(insert number)        |
| <b>Total Recoverable – Line Connection Facilities</b>              | <b>\$(insert number)</b> |
| <b>Capital Contribution – Line Connection Facilities</b>           | <b>\$(insert number)</b> |

**3. Load Customer’s New Load Forecast used in the Economic Evaluation Procedure**

| Month \ Year | (insert year) | (insert year) | (insert year) | (insert year) | (insert year) | (insert year) |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|              | (kW)          | (kW)          | (kW)          | (kW)          | (kW)          | (kW)          |
| January      |               |               |               |               |               |               |
| February     |               |               |               |               |               |               |
| March        |               |               |               |               |               |               |
| April        |               |               |               |               |               |               |
| May          |               |               |               |               |               |               |
| June         |               |               |               |               |               |               |
| July         |               |               |               |               |               |               |
| August       |               |               |               |               |               |               |
| September    |               |               |               |               |               |               |
| October      |               |               |               |               |               |               |
| November     |               |               |               |               |               |               |
| December     |               |               |               |               |               |               |

*(Insert year and monthly peak load forecast in MW. Use multiple tables depending on the Economic Evaluation Period for the Load Customer used in the Economic Evaluation Procedure.)*

**4. Load Customer’s estimated Transformation Connection Rate Revenue used in the Economic Evaluation Procedure**

| Month \ Year | (insert year) | (insert year) | (insert year) | (insert year) | (insert year) | (insert year) |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|              | (\$)          | (\$)          | (\$)          | (\$)          | (\$)          | (\$)          |
| January      |               |               |               |               |               |               |
| February     |               |               |               |               |               |               |
| March        |               |               |               |               |               |               |
| April        |               |               |               |               |               |               |
| May          |               |               |               |               |               |               |
| June         |               |               |               |               |               |               |
| July         |               |               |               |               |               |               |
| August       |               |               |               |               |               |               |
| September    |               |               |               |               |               |               |
| October      |               |               |               |               |               |               |
| November     |               |               |               |               |               |               |
| December     |               |               |               |               |               |               |

*(Insert year and the monthly estimated Transformation Connection Rate Revenue based on the monthly peak load forecast in dollars. Use multiple tables depending on the Economic Evaluation Period for the Load Customer used in the Economic Evaluation Procedure. Delete if Load Customer will not pay Transformation Connection Tariffs.)*

**5. Load Customer’s estimated Line Connection Rate Revenue used in the Economic Evaluation Procedure**

| Month \ Year | (insert year) | (insert year) | (insert year) | (insert year) | (insert year) | (insert year) |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|              | (\$)          | (\$)          | (\$)          | (\$)          | (\$)          | (\$)          |
| January      |               |               |               |               |               |               |
| February     |               |               |               |               |               |               |
| March        |               |               |               |               |               |               |
| April        |               |               |               |               |               |               |
| May          |               |               |               |               |               |               |
| June         |               |               |               |               |               |               |
| July         |               |               |               |               |               |               |
| August       |               |               |               |               |               |               |
| September    |               |               |               |               |               |               |
| October      |               |               |               |               |               |               |
| November     |               |               |               |               |               |               |
| December     |               |               |               |               |               |               |

*(Insert year and the monthly estimated Line Connection Rate Revenue based on the monthly peak load forecast in dollars. Use multiple tables depending on the Economic Evaluation Period for the Load Customer used in the Economic Evaluation Procedure.)*

**6. System Upgrade – Non-Recoverable**

Direction sought from the OEB regarding exceptional circumstances for network facilities work:

Yes \_\_\_\_\_  
No \_\_\_\_\_

Direction obtained:

Yes \_\_\_\_\_  
No \_\_\_\_\_

If such direction is not yet obtained, the Capital Contribution set out at section 2.4 of Schedule "D" does not include GPLL Connection Work – Recoverable – Network Facilities, which subject to the direction of the OEB may be recoverable. The Parties acknowledge that if such direction is given the calculation contained in this Schedule "F" shall be amended to include such directed GPLL Connection Work – Recoverable – Network Facilities costs and a revised Schedule "D" and "F" shall be delivered to the Load Customer, together with an invoice payable no later than 30 days from the date of such invoice or a revised payment schedule detailed in Schedule "D". The revised Schedules "D" and "F" shall form part of the Agreement as though it had been originally incorporated into this Agreement.

- 7. Load Customer Financial Risk Assessment<sup>19</sup>: (insert risk classification)**  
**Economic Evaluation Period<sup>20</sup>: (insert xx) years**  
**True-up dates<sup>21</sup>:**  
  
*1<sup>st</sup> True-up – (insert month/day/year)*  
*N<sup>th</sup> True-up – (insert month/day/year)*

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<sup>19</sup> Cross-reference section 19 and Appendix A.

<sup>20</sup> Cross-reference section 19 and Appendix A.

<sup>21</sup> Cross-reference section 19 and Appendix A.

## Schedule "G": GLPL's Assets

**For the purposes of this Schedule, the following terms shall have the following meanings:**

**"GLPL's Property(ies)"** means any lands owned by GLPL in fee simple or where GLPL now or hereafter has obtained easement rights.

**"Load Customer's Property(ies)"** means any lands owned by the Load Customer in fee simple or hereafter has obtained easement rights.

A. GLPL will own all equipment and facilities installed by GLPL as part of the GLPL Connection Work in, under, on, over, along, upon, through and crossing GLPL's Property(ies).

B. GLPL will own the following equipment installed by GLPL as part of the GLPL Connection Work in, under, on, over, along, upon, through and crossing the Load Customer's Property(ies):

1) **Nil or List**

C. GLPL will own the following equipment (contestable work documented in Appendix C Part 1) that will be constructed by the Load Customer and transferred to GLPL including property or easement rights.

1) **Nil or List**

## Schedule "H": Access Provisions

For the purpose of this Schedule "H", the following terms shall have the following meaning:

**"Owner"** means the owner of the facilities or the site;  
**"Company"** means the entity requiring access to the Owner's facilities or site; and

**"Owner's facilities"** means the Load Customer's Facilities in the case of the Load Customer and GLPL's Facilities in the case of GLPL.

1. When the Company's staff, its contractors, or agents work at the Owner's facilities or site, the Owner's safety and environmental requirements shall be observed by such staff, contractors and agents. As a minimum, all Applicable Laws shall govern such work.

2. The Company's staff, its contractors, or agents working at the Owner's facilities or site shall be qualified to work around electrical hazards.

3. The Company's staff, its contractors, or agents shall be entitled to access the Owner's facilities or site, and the Owner will grant such access, to carry out work at all reasonable times on reasonable prior notice to the Owner, subject to the Owner's policies and procedures.

4. If the Company wishes to have access to the Owner's facilities, the Company shall notify the Owner of the particular work to be undertaken and of the date and time when it proposes to access the relevant facilities, subject to the Owner's policies and procedures. The Owner shall not unreasonably withhold access to its facilities.

5. At any time when the Company or its representatives are on or in the Owner's site, the Company and its representatives shall:

- (a) use all reasonable precautions not to damage or interfere with the Owner's site and facilities;
- (b) observe the Owner's requirements for reporting occupational health and safety, electrical safety, environmental requirements, technical requirements, and matters of industrial relations; and
- (c) neither ask questions, nor give any direction, instruction or advice to any person involved in operating or maintaining the Owner's site or facilities, other than the person whom the Owner has designated for that purpose.

6. If the Company or its representatives cause any loss or damage when given access to the Owner's Facilities, the Company or its representative shall

promptly advise the Owner's controlling authority of the loss or damage.

7. The Company shall not, and shall ensure that its representatives do not, intentionally interfere with any of the Owner's facilities in or on its sites. The Company shall use reasonable efforts not to cause loss or damage to the Owner's facilities. If the Company interferes with any of the Owner's facilities, it shall indemnify the Owner for reasonable costs and expenses incurred from any resulting loss or damage.

8. In an emergency, the Owner may, as far as reasonably necessary in the circumstances, have access to and interfere with the Company's facilities. The Owner shall use reasonable efforts not to cause loss or damage to the Company's facilities. If the Owner interferes with any of the Company's facilities, it shall indemnify the Company for reasonable costs and expenses incurred from any resulting loss or damage.

9. The Company shall pay the Owner its costs related to the Company's staff, contractors or agents accessing the Owner's facilities or sites, including, but not limited to, the cost of having an Owner representative accompany the Company's staff, contractors, or agents accessing the Owner's facilities or sites in accordance with the invoices rendered by the Owner.

10. The Company shall indemnify and save harmless the Owner from and against all liabilities, damages, suits, claims, demands, costs, actions, proceedings, causes of action, losses, expenses and injury (including death) of any kind or nature whatsoever (the "causes of action") resulting from, caused by or in any manner connected with installed Company equipment on the Owner's facilities or sites or Company's staff, its contractors, or agents accessing the Owner's facilities or sites including, but not limited to:

- (a) causes of actions arising out of health and safety violations or environmental spills;
- (b) costs incurred by the Owner having to pay other Load Customers due to interruptions caused by the Company;
- (c) damage to the Owner's equipment;
- (d) incremental costs and expenses incurred by the Owner related to the Company's equipment installations, removals, relocations, upgrades, or any other Company work.

except to the extent that the "causes of action" are caused by the negligence or willful misconduct of the Owner.



## SCHEDULE "I": Form of Easement

### INTEREST / ESTATE TRANSFERRED

The Transferor is the owner in fee simple and in possession of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (the "**Lands**").

In consideration of two dollars (\$2.00), the Transferee has erected, or is about to erect, certain Works (as more particularly described in paragraph l(a) hereof) in, through, under, over, across, along and upon the Lands.

1. The Transferor hereby grants and conveys to Great Lakes Power Limited, its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges in perpetuity (the "**Rights**") in, through, under, over, across, along and upon that portion of the Lands of the Transferor described herein and shown highlighted on Schedule "A" hereto annexed (the "Strip") for the following purposes:

- (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip an electrical transmission system and telecommunications system consisting in both instances of a pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the "**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
- (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials in, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
- (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
- (e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the "**obstruction**") whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any persons or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (f) To enter on and exit by the Transferor's access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement and
- (g) To remove, relocate and reconstruct the line on or under the Strip.

2. The Transferor agrees that:
  - (a) it will not interfere with any Works established on or in the Strip and shall not, without the Transferee's consent in writing, erect or cause to be erected or permit in, under or upon the Strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee's consent in writing, change or permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes, walks, drains, sewers, water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the "Installation") or any portion thereof, provided that prior to commencing such Installation, the Transferor shall give to the Transferee thirty (30) days notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorized interference aforesaid or contravention of this paragraph, or if any authorized interference, obstruction or Installation is not maintained in accordance with the Transferee's instructions or in the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction, Installation or contravention complained of from the Strip, without being liable for any damages caused thereby.
  - (b) notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.
  - (c) no other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.
  - (d) the Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.
  - (e) the Rights hereby granted:
    - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip.
    - (ii) is declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1. (a).
3. The Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interests to the Transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.
4. There are no representations, covenants, agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
5. No waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
6. The burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

CHARGEES

THE CHARGEES of land described in a Charge/Mortgage of Land dated \_\_\_\_\_  
Between \_\_\_\_\_ and \_\_\_\_\_  
and registered as Instrument Number \_\_\_\_\_ on \_\_\_\_\_ does  
hereby consent to this Easement and releases and discharges the rights and easement herein from the said Charge/Mortgage of  
Land.

| Name | Signature(s) | Date of Signatures |
|------|--------------|--------------------|
|      |              | Y    M    D        |
|      | Per:         |                    |
|      |              |                    |
|      |              |                    |

I/We have authority to bind the Corporation

att: Schedule "A"