

Connection and Cost Recovery Agreement

between

(Customer Legal Name)

and

Hydro One Networks Inc.



for

(Project Description)

(Customer’s Full Legal Name) (the “Customer”) has requested and **Hydro One Networks Inc.** (“Hydro One”) has agreed to (insert project description) (the “Project”) on the terms and conditions set forth in this Agreement dated (insert date) (the “Agreement”) and the attached Standard Terms and Conditions for Low Risk Transmission Customer Connection Projects V3 09 -2007 (the “Standard Terms and Conditions” or “T&C”). Schedules "A" and "B" attached hereto and the Standard Terms and Conditions are to be read with and form part of this Agreement.

Project Summary

(Insert project overview – scope and need)

Term: The term of this Agreement commences on the date first written above and terminates

[If Low Risk: on the 25th anniversary of the In Service Date.]

[If Medium High: 180 days after the 10th anniversary of the In Service Date¹]

[If Medium Low: on the 15th anniversary of the In Service Date.]

[If High Risk: 180 days after the 5th anniversary of the In Service Date²]

Special Circumstances: (Describe any special circumstances)

In addition to the circumstances described in Section 5 of the Standard Terms and Conditions, the Ready for Service Date is subject to:

- (a) the Customer executing and delivering this Agreement to Hydro One by no later than (insert date), (the “Execution Date”); and
- (b) [specify any Project specific issues not addressed in Section 5 of the Standard Terms and Conditions]

Right of Customer to By-Pass Existing Load Facilities

If the Customer does not intend to by-pass the Existing Load Facility, the Customer must in accordance with the OEB-Approved Connection Procedures:

- i. notify Hydro One and the OEB within 30 days of receiving Hydro One’s notification of potential by-pass, that it has no intention of by-passing Hydro One’s Existing Load Facility;
- ii. transfer the load back to the Existing Load Facility within an agreed time period; and
- iii. compensate Hydro One for the lost revenues.

Subject to Section 31, this Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement.

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

HYDRO ONE NETWORKS INC.

Jim Patterson
Manager - Customer Business Relations
I have the authority to bind the Corporation.

(CUSTOMER'S FULL LEGAL NAME)

Name:
Title:
I have the authority to bind the Corporation.

Schedule “A” (Project Title)

PROJECT SCOPE

New or Modified Connection Facilities: Hydro One will (describe project)

Connection Point:

Ready for Service Date:

HYDRO ONE CONNECTION WORK

Part 1:Transformation Connection Pool Work

Hydro One will:

- Provide

NOTES:

[**Where appropriate:** The Estimate of the Engineering and Construction Cost of the Transformation Connection Pool Work and the Estimate of Transformation Connection Pool Work Capital Contribution do not include any amounts associated with the easements and other land rights to be obtained by Hydro One from third parties for the Transformation Connection Pool Work. The actual cost of obtaining those easements and other land rights will be reflected in the Actual Engineering and Construction Cost of the Transformation Connection Pool Work and the Actual Transformation Connection Pool Work Capital Contribution.]

Part 2:Line Connection Pool Work

Hydro One will:

- Provide.

NOTES:

[**Where appropriate:** The Estimate of the Engineering and Construction Cost of the Line Connection Pool Work and the Estimate of Line Connection Pool Work Capital Contribution do not include any amounts associated with the easements and other land rights to be obtained by Hydro One from third parties for the transmission line. The actual cost of obtaining those easements and other land rights will be reflected in the Actual Engineering and Construction Cost of the Line Connection Pool Work and the Actual Line Connection Pool Work Capital Contribution.]

Part 3:Network Customer Allocated Work

Hydro One will:

- (describe any network modifications)

Part 4: Network Pool Work (Non-Recoverable from Customer)

Hydro One will:

- (describe any network modifications)

Part 5: Work Chargeable to Customer

Hydro One will:

Part 6: Scope Change

For the purposes of this Part 6 of Schedule “A”, the term “Non-Customer Initiated Scope Change(s)” means one or more changes that are required to be made to the Project Scope as detailed and documented in Parts 1 to 5 of this Schedule “A” such as a result of any one or more of the following:

- any environmental assessment(s);
- **[To be used where CCRA executed prior to route selection:** requirement for Hydro One to obtain approval under Section 92 of the *Ontario Energy Board Act* if the transmission line route selected by Hydro One 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.

Any change in the Project Scope as detailed and documented in Parts 1 to 5 of this Schedule “A” whether they are initiated by the Customer or are Non-Customer Initiated Scope Changes, may result in a change to the Project costs estimated in Schedule “B” of this Agreement and the Project schedule, including the Ready for Service Date.

All Customer initiated scope changes to this Project must be in writing to Hydro One.

Hydro One will advise the Customer of any cost and schedule impacts of any Customer initiated scope changes. Hydro One will advise the Customer of any Material cost and/or Material schedule impacts of any Non-Customer Initiated Scope Changes.

Hydro One will not implement any Customer initiated scope changes until written approval has been received from the Customer accepting the new pricing and schedule impact.

Hydro One will implement all Non-Customer initiated scope changes until the estimate of the Engineering and Construction Cost of all of the Non-Customer initiated scope changes made by Hydro One reaches 10% of the total sum of the estimates of the Engineering and Construction Cost of:

- (i) the Transformation Connection Pool Work,;
- (ii) the Line Connection Pool Work;
- (iii) Network Pool Work
- (iv) Network Customer Allocated Work; and
- (v) the Work Chargeable to Customer.

At that point, no further Non-Customer initiated scope changes may be made by Hydro One without the written consent of the Customer accepting new pricing and schedule impact. If the Customer does not

accept the new pricing and schedule impact, Hydro One will not be responsible for any delay in the Ready for Service Date as a consequence thereof.

CUSTOMER CONNECTION WORK

The Customer will:

- Provide

EXISTING LOAD:

	A	B		
Existing Load Facility	Existing Load (MW)¹	Normal Capacity (MW)²		

Notes:

1. Existing Load means the Customer’s Assigned Capacity at the Existing Load Facility as of the date of this Agreement (Section 3.0.3 of the *Transmission System Code*).
2. Any station load above the Normal Capacity of the Existing Load Facility (Overload) will be determined in accordance with Section 6.7.9 of the *Transmission System Code* and Hydro One’s Connection Procedures. If the Overload is transferred to the New or Modified Connection Facilities, the Overload will be credited to the Line Connection Revenue, Transformation Connection Revenue or Network Revenue requirement, whichever is applicable.

OTHER RELEVANT CONSIDERATIONS: (e.g. are there any existing Connection and Cost Recovery Agreements or Feeder Allocation Agreements in place with the Customer)

EXCEPTIONAL CIRCUMSTANCES RE. NETWORK CONSTRUCTION OR MODIFICATIONS: (Yes/No). If yes, describe the exceptional circumstances and the network construction or modifications.

MISCELLANEOUS

Customer Connection Risk Classification: Specify whether Low Risk, Medium-High Risk, Medium – Low or High Risk

True-Up Points: If Low Risk (a) following the fifth and tenth anniversaries of the In Service Date; and
 (b) following the fifteenth anniversary of the In Service Date if the Actual Load is 20% higher or lower than the Load Forecast at the end of the tenth anniversary of the In Service Date.

If Medium-Low Risk or Medium-High Risk – following the third, fifth and tenth anniversaries of the In Service Date

If High Risk – yearly following each anniversary of the In Service Date

Customer's GST Registration Number:

Documentation Required (after In Service Date): Describe

Ownership: Hydro One will own all equipment provided by Hydro One as part of the Hydro One Connection Work with the exception of **[insert description of anything being constructed, installed or put together by Hydro One that is to be owned by the Customer]**

Approval Date (if Section 92 required to be obtained by Hydro One):

Security Requirements: Specify amount or Nil

Security Date:

Easement Required from Customer: (Yes/No)

Easement Date:

Easement Lands: [Insert description of lands owned by Customer where Hydro One requires an easement for the purposes of the Hydro One Construction Work]

Easement Term: In perpetuity

Approval Date (for OEB leave to construct):

Revenue Metering: IESO compliant revenue metering to be provided by the Customer

Customer Notice Info:

Customer legal Name and address

Attention: Name & Title

Fax #

Schedule “B” (Project Title)

TRANSFORMATION CONNECTION POOL WORK

Estimate of the Engineering and Construction Cost of the Transformation Connection Pool Work:

Estimate of Transformation Connection Pool Work Capital Contribution:

Actual Engineering and Construction Cost of the Transformation Connection Pool Work: To be provided 180 days after the Ready for Service Date

Actual Transformation Connection Pool Work Capital Contribution: To be provided 180 days after the Ready for Service Date

Capital Contribution Includes the Cost of Capacity Not Needed by the Customer:

LINE CONNECTION POOL WORK

Estimate of the Engineering and Construction Cost of the Line Connection Pool Work:

Estimate of Line Connection Pool Work Capital Contribution:

Actual Engineering and Construction Cost of the Line Connection Pool Work: To be provided 180 days after the Ready for Service Date

Actual Line Connection Pool Work Capital Contribution: To be provided 180 days after Ready for Service Date

Capital Contribution Includes the Cost of Capacity Not Needed by the Customer:

NETWORK CUSTOMER ALLOCATED WORK

Estimate of the Engineering and Construction Cost of the Network Customer Allocated Work:

Actual Engineering and Construction Cost of the Network Customer Allocated Work: To be provided 180 days after Ready for Service Date

NETWORK POOL WORK (NON-RECOVERABLE FROM CUSTOMER):

The estimated Engineering and Construction Cost of the Network Pool Work (Non-Recoverable From Customer) is \$XXX,000.00. Subject to Section 14.2 of the Standard Terms and Conditions, Hydro One will perform this work at its own expense.

WORK CHARGEABLE TO CUSTOMER

Estimate of the Engineering and Construction Cost of the Work Chargeable To Customer: \$

Actual Engineering and Construction Cost of the Work Chargeable To Customer: To be provided 180 days after Ready for Service Date

MANNER OF PAYMENT OF THE ESTIMATE OF CAPITAL CONTRIBUTIONS AND WORK CHARGEABLE TO CUSTOMER

The Customer shall pay Hydro One the estimate of the Transformation Connection Pool Work Capital Contribution, the Estimate of Line Connection Pool Work Capital Contribution, the estimate of the Network Customer Allocated Work Capital Contribution and the estimate of the Engineering and Construction Cost of the Work Chargeable to Customer by making the progress payments specified below on or before the Payment Milestone Date specified below. Hydro One will invoice the Customer for each progress payment 30 days prior to the Payment Milestone Date.

Payment Milestone Date	Transformation Pool Work Capital Contribution	Line Pool Work Capital Contribution	Network Customer Allocated Work Capital Contribution	Work Chargeable To Customer	Total Payment Required

TRANSFORMATION CONNECTION REVENUE REQUIREMENTS AND LOAD FORECAST AT THE NEW OR MODIFIED CONNECTION FACILITIES

Annual Period Ending On:	New Load** (MW)	Part of New Load Exceeding Normal Capacity of Existing Load Facilities [A] (Note 1)	Adjusted Load Forecast (MW) [B]	Transformation Connection Revenue (k\$) for True-Up, based on [A] or [B], whichever is applicable
1st Anniversary of In Service Date				
2nd Anniversary of In Service Date				
3rd Anniversary of In Service Date				
4th Anniversary of In Service Date				
5th Anniversary of In Service Date	Final Year for High Risk			
6th Anniversary of In Service Date				
7th Anniversary of In Service Date				
8th Anniversary of In Service Date				
9th Anniversary of In Service Date				
10th Anniversary of In Service Date	Final Year for Medium-High Risk			
11th Anniversary of In Service Date				
12th Anniversary of In Service Date				
13th Anniversary of In Service Date				
14th Anniversary of In Service Date				
15th Anniversary of In Service Date	Final Year for Medium-Low Risk			
16th Anniversary of In Service Date				
17th Anniversary of In Service Date				
18th Anniversary of In Service Date				
19th Anniversary of In Service Date				
20th Anniversary of In Service Date				
21st Anniversary of In Service Date				

22nd Anniversary of In Service Date				
23rd Anniversary of In Service Date				
24th Anniversary of In Service Date				
25th Anniversary of In Service Date	Final Year for Low Risk			

**LINE CONNECTION REVENUE REQUIREMENTS AND LOAD FORECAST AT THE NEW
OR MODIFIED CONNECTION FACILITIES**

Annual Period Ending On:	New Load** - (MW)	Part of New Load Exceeding Normal Capacity of Existing Load Facilities [C]	Adjusted Load Forecast (MW) [D]	Line Connection Revenue (k\$) for True-Up, Based on [C] or [D], whichever is applicable
1st Anniversary of In Service Date				
2nd Anniversary of In Service Date				
3rd Anniversary of In Service Date				
4th Anniversary of In Service Date				
5th Anniversary of In Service Date	Final Year for High Risk			
6th Anniversary of In Service Date				
7th Anniversary of In Service Date				
8th Anniversary of In Service Date				
9th Anniversary of In Service Date				
10th Anniversary of In Service Date	Final Year for Medium-High Risk			
11th Anniversary of In Service Date				
12th Anniversary of In Service Date				
13th Anniversary of In Service Date				
14th Anniversary of In Service Date				
15th Anniversary of In Service Date	Final Year for Medium-Low Risk			
16th Anniversary of In Service Date				
17th Anniversary of In Service Date				
18th Anniversary of In Service Date				
19th Anniversary of In Service Date				
20th Anniversary of In Service Date				
21st Anniversary of In Service Date				
22nd Anniversary of In Service Date				
23rd Anniversary of In Service Date				
24th Anniversary of In Service Date				
25th Anniversary of In Service Date	Final Year for Low Risk			

NETWORK REVENUE REQUIREMENTS AND LOAD FORECAST AT THE NEW OR MODIFIED CONNECTION FACILITIES

Annual Period Ending On:	New Load** - (MW)	Part of New Load Exceeding Normal Capacity of Existing Load Facilities [C]	Adjusted Load Forecast (MW) [D]	Network Revenue (k\$) for True-Up, Based on [C] or [D], whichever is applicable
1st Anniversary of In Service Date				
2nd Anniversary of In Service Date				
3rd Anniversary of In Service Date				
4th Anniversary of In Service Date				
5th Anniversary of In Service Date	Final Year for High Risk			
6th Anniversary of In Service Date				
7th Anniversary of In Service Date				
8th Anniversary of In Service Date				
9th Anniversary of In Service Date				
10th Anniversary of In Service Date	Final Year for Medium-High Risk			
11th Anniversary of In Service Date				
12th Anniversary of In Service Date				
13th Anniversary of In Service Date				
14th Anniversary of In Service Date				
15th Anniversary of In Service Date	Final Year for Medium-Low Risk			
16th Anniversary of In Service Date				
17th Anniversary of In Service Date				
18th Anniversary of In Service Date				
19th Anniversary of In Service Date				
20th Anniversary of In Service Date				
21st Anniversary of In Service Date				
22nd Anniversary of In Service Date				
23rd Anniversary of In Service Date				
24th Anniversary of In Service Date				
25th Anniversary of In Service Date	Final Year for Low Risk			

** New Load based on Customer's Load Forecast which includes Part of New Load Exceeding Normal Capacity of Existing Load Facilities. "Overload" derived in accordance with Section 6.7.9 of the Transmission System Code and the OEB-Approved Connection Procedures. Any Customer load below the Normal Capacity of the Existing Load Facilities transferred to the New or Modified Facilities will not be credited towards the Transformation Connection Revenue Requirements, Line Connection Revenue Requirements or the Network Connection Revenue Requirements. The discounted cash flow calculation for Network Revenue requirements will be based on Incremental Network Load which is New Load less the amount of load, if any, that has been by-passed by the Customer at any of Hydro One's connection facilities.