



BY COURIER

November 12, 2002

Mr. Paul Pudge
Secretary
Ontario Energy Board
Suite 2601, 2300 Yonge Street,
P.O. Box 2319
Toronto, ON.
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Dear Mr. Pudge:

Joint Application by Hydro One Networks Inc., Ontario Power Generation Inc. and Bruce Power L.P. for Transmission System Code Section 2.1.1 Exemption

On behalf of Hydro One Networks Inc., Ontario Power Generation Inc. and Bruce Power L.P., the undersigned jointly submit the attached Application for an exemption from subsection 2.1.1 of the Transmission System Code.

Contact information for the co-applicants is also provided below.

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Please also advise Brian Armstrong, General Counsel and Corporate Secretary, address same as above

Jointly submitted by:

Hydro One Networks

Ontario Power Generation

Bruce Power L.P.

Brian Armstrong
General Counsel and
Corporate Secretary

And

Dave Barrie

Joel Singer

Andrew Johnson

Senior Vice-President – Asset
Management

Vice-President – Regulatory
Affairs

Vice President – Power
Marketing

Attach.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an Application by Hydro One Networks Inc., Ontario Power Generation, Inc. and Bruce Power L.P. collectively referred to herein as the Parties, under subsection 70(2)(d) *Ontario Energy Board Act, 1998* for an exemption with respect to subsection 2.1.1 of the Transmission System Code; and requesting that the Board deal with this application pursuant to subsection 21(4)(b) of the *Ontario Energy Board Act, 1998*, without holding a hearing.

APPLICATION FOR EXEMPTION BY HYDRO ONE NETWORKS INC.; ONTARIO POWER GENERATION INC.; AND BRUCE POWER L. P.

Date: November 12, 2002

1. NATURE OF THE APPLICATION

- 1.1 Hydro One Networks Inc., Ontario Power Generation Inc. and Bruce Power L.P., collectively referred to herein as the Parties, make Application to the Ontario Energy Board (OEB or Board) pursuant to section 70(2)(d) of the *Ontario Energy Board Act, 1998 (Act)* for an Order or Orders exempting them from the requirements of subsection 2.1.1 of the *Transmission System Code* (“Code”). Subsection 2.1.1 requires that Transmitters and Customers enter into a connection agreement in the form set out in Appendix 1 of the Code.
- 1.2 Pursuant to section 21(4)(b) of the *Act* the Parties are also requesting that the Board deal with the Application without a hearing as the interests of other generators, distributors, loads and end users will not be materially affected by the connection agreements entered into by the Parties.
- 1.3 The Parties are seeking an exemption from subsection 2.1.1 of the Code to allow the Parties to enter into a modified form of connection agreement that reflects: the specific operational requirements of nuclear generating facilities; certain legacy issues related to the Parties’ facilities; and other generation-related needs. The modifications to the standard form connection agreements have been agreed to by the Parties and are set out in two Addenda attached to the standard connection agreement, respectively Addenda A and B to this Application.
- 1.4 Specifically, as set out in Addenda A and B, the Parties seek Board approval to:
 - 1.4.1 modify the following sections of the standard form connection agreement: Recital, sections 1.14, 2, 3, 5.1, 5.2, 5.3, 6.2, 6.5, 6.8, 7.2.1, 7.2.1.6, 7.3.2, 7.3.3, 7.4.2.3, 8.1, 9.1.1.3, 10.1.1, 10.1.2, 10.3.1, 10.4.1, 10.4.2, 10.6.2, 10.6.3, 10.7.3, 10.7.4, 10.11.2, 10.11.3, 10.11.4.1, 10.11.4.2, 10.11.5, 10.13, 10.13.3 – 10.13.8, 10.14.9, 11, 11.2.1, 11.3.1, 11.4.1, 12.4.1, 12.5.1, 12.5.2, 12.6.1, 13.1.1, 13.2.1, 13.2.2, 13.3.1, 15.1.5, 15.1.7, 18, 23, 28, 29, 29.3 and Schedule C, Schedule D, Section 8- Clause 1, Schedule F, ss 1.2.3, 1.6.2, 1.6.5, 1.8.1, 1.8.5, Schedule G, ss 1.5.2, Schedule H and Schedule I, ss. 1.3.1.; and
 - 1.4.2 add the following provisions to the standard form connection agreement: sections 1.19, 1.20, 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, 1.27, 1.28, 1.29, 1.30., 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.37, 1.38, 1.39, 8.2A, 8.2B, 8.3, 10.8.3, 10.8.4, 10.11, 10.11.9, 10.11.10, 10.14.10, 10.14.11, 11, 29.1.8, 29.1.9, 29.1.10, 29.1.11, 29.1.12, 29.1.13, Schedules M, N, O, P, Q, R, and Incorporation of Procedures and Manuals by Reference
- 1.5 The Parties propose the following title for the proceeding that is commenced by this Application: Application by Hydro One Networks Inc., Ontario Power Generation Inc. and Bruce Power L.P. for an Exemption from the Requirements of subsection 2.1.1 of the *Transmission System Code* (“Code”).

- 1.6 This Application will be supported by written material and, should the Board determine to hold an oral hearing pursuant to section 21 of the *Ontario Energy Board Act, 1998*, oral evidence. The written material has been filed with this Application. The written material may be supplemented or amended, from time to time, prior to or during the course of any hearing, which the Board holds in this proceeding.
- 1.7 The Parties further apply to the Board pursuant to the provisions of the *Ontario Energy Board Act, 1998*, and the Board's *Rules of Practice and Procedure* for such final Order and direction as may be necessary in relation to the Application and the proper conduct of this proceeding.
- 1.8 Should the Board determine that a hearing is required to consider the Application, the Parties request that copies of all documents filed with the Board by each intervenor to this proceeding be served on the Parties and the Parties' counsel in this proceeding, as set out at the end of the Application.

2. APPLICANTS

- 2.1 The Applicants are Hydro One Networks Inc., Ontario Power Generation Inc. and Bruce Power L.P..
- 2.2 Hydro One Networks Inc. ("HONI") is a licensed transmitter of electricity in Ontario. HONI was incorporated pursuant to section 48(1) of the *Electricity Act, 1998*, and has a head office in the City of Toronto, Ontario. It owns and operates the transmission system to which OPG and Bruce Power must connect in order to send electricity into the IMO-controlled grid.
- 2.3 Ontario Power Generation Inc. ("OPG") is a corporation incorporated pursuant to section 48(1) of the *Electricity Act, 1998* with its head office in Toronto, Ontario. OPG is an Ontario based company whose principal business is the generation and sale of electricity in Ontario and interconnected markets. It is a licensed generator of 43 hydroelectric, nuclear and/or fossil generating facilities in the province of Ontario that are electrically connected to the transmission system operated by HONI.
- 2.4 Bruce Power Inc. is the general partner of Bruce Power L.P. ("Bruce Power"). Bruce Power Inc. is the holder of the generating licenses for the Bruce A and Bruce B nuclear generating facilities leased by Bruce Power and which are electrically connected to the transmission system operated by HONI. Bruce Power's principal business is the generation and sale of nuclear generated electricity in the Province of Ontario.

3. BACKGROUND

- 3.1 The Market Rules made pursuant to the provisions of the *Electricity Act, 1998*, the Transmission System Code (“Code”), the *Ontario Energy Board Act, 1998* (“OEB Act”) and the respective licences granted by the Board to the Parties collectively require Transmitters to enter into a connection agreement with each connected customer, including generators.
- 3.2 The Code issued by the Board requires at ss. 2.1.1 that the form of the connection agreement be that set out in Appendix 1 to the Code (“ the standard form connection agreement”).
- 3.3 The standard form connection agreement sets out the terms and conditions upon which the Transmitter provides connection service. The agreement addresses a range of connection-related issues including, equipment standards, operational standards and reporting protocols, disconnection procedures, liability, etc. The standard form connection agreement is intended to apply to a diverse range of connection circumstances (i.e. distributors, load customers, and generators).
- 3.4 During discussions related to the completion of connection agreements, the Parties came to understand that certain terms are not wholly applicable or suitable to nuclear generating stations and/or do not address certain other generator-related requirements that reflect the specific circumstances of the Parties. The Parties agreed to enter into negotiations directed towards developing necessary modifications to the standard connection agreement to reflect these issues. These negotiations resulted in the Parties agreeing to revised terms that address nuclear safety-related issues and other legacy/generation issues. These revisions are set out in Addenda A and B. The Parties then entered into connection agreements which, subject to Board approval of this exemption application, incorporate the two Addenda, as appropriate, for all of the generation facilities operated by OPG and Bruce Power.
- 3.5 The modifications to the standard connection agreement can be grouped into four broad categories: i) Changes related to nuclear facilities; ii) Changes that address legacy issues related to the Parties’ facilities; iii) Changes related to generators; and iv) Other changes. A description of the types of modifications made under these categories is set out below. The specific modifications can be found in the Addenda provided as Tab I.

3.5.1. Changes Related to Nuclear Facilities:

- (a) Certain modifications are required in order to ensure the operational safety of nuclear generating stations and to ensure compliance with OPG’s and Bruce Power’s Power Reactor Operating Licences (PROL) issued by the Canadian Nuclear Safety Commission (CNSC). A key feature of the operational safety of a nuclear generating station is the assurance that the station remains connected

to a highly reliable transmission system able to convey power to the station's safety systems during station emergencies. This critical source of power supply to the stations safety systems is known in the industry as "Class IV Power".

- (b) The modifications to the connection agreement relating to Class IV Power at nuclear facilities can be found in Addendum B, Sections 7.2.1, 7.3.3, 10.11, 11, 11.2.1, 11.3.1, 12.4.1, 12.5.1, 12.5.2, 12.6.1, 23 and Schedules N & O (These Schedules describe the reliability indices used for conducting nuclear safety analysis).
- (c) Support for the modifications relating to nuclear safety requirements, in the form of a list of reference documentation for each nuclear facility, can be found in the Power Reactor Operating Licence Support Documentation provided at Tab II.
- (d) In addition to addressing operational requirements, the Parties agreed to contractually limit HONI's liability in regards to damages that may arise as a result of the hazardous properties of nuclear material. This modification was made in recognition of the fact that HONI is unable to obtain nuclear liability insurance coverage as no such coverage is currently available to Transmitters. (See Addendum B Section 8.1, 8.2A, and 8.2B).
- (e) The changes related to nuclear facilities are captured in Addendum B: Sections I, II, III, 1.19 to 1.39, 2.0, 3.0, 5.3, 6.8, 7.2.1, 7.3.3, 8.1, 8.2A, 8.2B, 10.1.1, 10.1.2, 10.3.1, 10.6.3, 10.11, 10.11.2, 10.11.3, 10.11.4.1, 10.11.4.2, 10.11.5, 10.11.9, 10.11.10, 10.14.9, 10.14.10, 10.14.11, 11, 11.2.1, 11.3.1, 11.4.1, 12.4.1, 12.5.1, 12.5.2, 12.6.1, 13.1.1, 13.2.1, 13.2.2, 13.3.1, 15.1.7, 23.0 and Schedules N, O, P, Q, and R, sections 28, 29.1.8 to 29.1.13, 29.3, Schedule C, and Schedule F, s.1.2.3.

3.5.2 Changes that Address Legacy Issues Relating to the Parties' Facilities

- (a) The terms of the standard form connection agreement do not recognize the deemed compliance of the Parties existing facilities with the Code. Certain modifications to the standard connection agreement are necessary to reflect the approved historic design/construction and operation of the Parties' facilities.
- (b) For example, obligations under the standard connection agreement for equipment to meet the requirements of the Ontario Electrical Safety Authority have been qualified by the phrase "unless otherwise exempt" because the Parties are presently exempt from these requirements (Addendum A Section 5.1).
- (c) The Parties have also agreed to limit HONI's liability arising as a result of a failure of the synchronizing breakers located in the switchyards of certain generation plants. These generation plants were designed by Ontario Hydro to

use equipment now owned by HONI as the plant's synchronizing breakers. Typically, new generation plants would have their own synchronizing breakers. As plants and the switchyard breakers are now owned by different entities, the Parties agreed that a modification to the liability arrangements in the standard connection agreement was appropriate. OPG and Bruce Power also agreed to study the possibility of installing their own synchronizing breakers (See Addendum A Section 8.3).

- (d) This category includes the following modifications set out in Addendum A: Sections 5.1 and 8.3.

3.5.3 Changes Related to Generators

- (a) Certain modifications to the standard connection agreement were made to address issues that relate specifically to generators as opposed to load customers.
- (b) For example, certain sections of the standard agreement that pertain to load shedding during emergency situations are excluded because they are only applicable to load customers, not generators (See Addendum A, Sections, 10.13, and 10.13.3 to 10.13.8).
- (c) Additional modifications were made to clarify the outage isolation and reconnection arrangements for generators. For example, the modifications clarified that the number of times a generator can request isolation and reconnection to the grid at no charge is once a year per generating unit, not per generating site. (See Addendum A Sections 10.7.3, 10.7.4, 10.8.3, and 10.8.4).
- (d) This category includes the following changes set out in Addendum A: Sections 6.2, 7.2.1.6, 10.7.3, 10.7.4, 10.8.3, 10.8.4, 10.13, 10.13.3 to 10.13.8, 18, Schedule D Section 8-Clause 1, and Schedule H.

3.5.4 Other Changes

- (a) Other proposed modifications to the standard connection agreement clarify the requirements and obligations of the Parties with regard to equipment, operations and the allocation of costs. For example, Addendum A, Section 5.2 clarifies that responsibility for the cost of upgrading equipment that was previously deemed compliant is to be determined by the OEB.
- (b) Other modifications clarify the requirements for power quality monitoring equipment (Addendum A, Schedule F, sections 1.6.2 & 1.6.5) and the auto-reclosure process and accountabilities for circuit breakers (Addendum A, Schedule G, section 1.5.2). The Parties have also included a change control process to accommodate changes to certain of the data contained in the

agreement, such as changes in equipment specifications or contact names. (Addendum A, Section 23, Schedule M).

- (c) This category includes the following modifications found in Addendum A: Recital, Sections 1.1.4, 5.2, 6.5, 7.3.2, 7.4.2.3, 9.1.3, 10.4.1, 10.4.2, 10.6.2, 15.1.5, 23, 28, and Schedules F, sections 1.6.2, 1.6.5, 1.8.1, 1.8.5, Schedule G section 1.5.2, and Schedule I section 1.3.1.

4. RATE IMPACT

- 4.1 The Parties believe that the agreed modifications to the standard connection agreement will have a neutral impact on rates. Most of the modifications relate to nuclear operational and safety concerns or other legacy issues that have always been factored into the design and operation of the transmission system. Any costs associated with other modifications to the standard connection agreement are expected to be offset by the savings resulting from the agreed to limitations on HONI's liability for damage due to the hazardous properties of nuclear materials and the synchronizing breakers. While the requirements of the PROLs currently held by OPG and Bruce Power do not have a rate impact on HONI, should the federal regulatory requirements for transmission connection for nuclear generating stations change at a future date, and have a material impact on rates, the Parties undertake to bring any such future rate impacts to the Board's attention during future rate hearings.

5. SUPPORTING RATIONALE

- 5.1 The modifications to the standard connection agreements are not expected to materially affect any other transmission customer. In addition, the modifications provide the following benefits to the Parties:
- they address issues relating to the specific nature of the facilities in question thus providing greater clarity to field operating staff of the Parties;
 - they address the requirements of the OPG and/or Bruce Power Power Reactor Operating Licences ("PROL") issued by Canadian Nuclear Safety Commission (see Tab II) thus providing for the continued safe and secure operation of a significant portion of the provinces generation;
 - they address HONI's inability to secure certain types of insurance and an appropriate limitation on HONI's liability for certain facilities;
 - they clarify the responsibilities of the Parties under the agreements resulting in reducing the potential for future disputes between the Parties, ensuring compliance, assisting in the Parties to budget appropriately, and facilitating competition; and,
 - they provide for the incorporation of the Addenda and additional schedules to the Agreement as required.

5.2 The Parties have agreed to certain provisions that will promote economic efficiency in the generation, transmission and distribution of electricity. For example, HONI's liability has been limited in regards to breakers and nuclear liability. In addition, the responsibility for costs has been set out in greater detail and where there is doubt the Parties have agreed to seek advice from the Board.

6. AUTHORIZATION FOR THIS APPLICATION

6.1 This application is submitted by the Parties and the Parties hereto consent to the Board dealing with this application without holding a hearing.

Dated November 12, 2002

HYDRO ONE NETWORKS INC.

Name:

Title:

ONTARIO POWER GENERATION INC.

Name:

Title:

BRUCE POWER L.P. by its general partner Bruce Power Inc.

Name:

Title:

Tab I

**Addendum 'A' - Generation Related Clauses Superseding the
Connection Agreement and Schedules**

**Addendum 'B' - Specific Nuclear Arrangements and Areas of
Clarification**

Note: The highlighted sections of Addendum 'A' and 'B' reflect the modifications to the standard form connection agreements that have been agreed to by the Parties.

ADDENDUM 'A'

GENERATION RELATED CLAUSES SUPERSEDING THE CONNECTION AGREEMENT AND SCHEDULES

The purpose of this addendum is to capture generation related amendments that have been agreed to by the parties. In any circumstance where there is an inconsistency between the terms of the, Connection Agreement and the terms of this Addendum, the terms of this Addendum shall prevail.

Insofar as this Agreement differs from the standard Transmission Connection Agreement issued by the OEB, this Agreement is subject to the approval of the Ontario Energy Board ("OEB"); and to the extent, if any, that the OEB fails to give such approval:

- (a) this Agreement shall be amended as determined by the OEB; or
- (b) if the OEB fails to give such approval but does not itself amend this Agreement, the parties shall amend this Agreement pursuant to the directions of the OEB, and the revised amendments shall be subject to the approval of the OEB.

Amendments to the Main Agreement

RECITAL

In accordance with its licence and the Market Rules, the Transmitter has agreed to offer, and the Customer has agreed to accept Connection Service, on the terms and conditions of this Agreement.

Replace by:

In accordance with its licence and the Market Rules, the Transmitter has agreed to offer, and the Customer has agreed to accept, **in respect of those facilities defined in Schedule A**, Connection Service, on the terms and conditions of this Agreement.

1. DEFINITIONS

1.14. "non-financial Default" means the following:

- 1.14.1. any breach of a term or condition of the Code or the Connection Agreement other than a financial default unless the breach occurs as a direct result of an emergency;
- 1.14.2. a licensed Party's ceasing to hold a licence; and
- 1.14.3. an Insolvency Event.

Replace by:

- 1.14. “non-financial Default” means the following:
- 1.14.1. any breach of a term or condition of the Code or the Connection Agreement other than a financial default unless the breach occurs as a direct result of an emergency; **or**
 - 1.14.2. a licensed Party’s ceasing to hold a licence; **or**
 - 1.14.3. an Insolvency Event.

5. EQUIPMENT STANDARDS

- 5.1 The Transmitter and the Customer shall ensure that their respective new or altered equipment connected to the transmission system: (1) meets requirements of the Ontario Electrical Safety Authority; (2) conform to relevant industry standards including, but not limited to, CSA International, the Institute of Electrical and Electronic Engineers (IEEE), the American National Standards Association (ANSI), and the International Electrotechnical Commission (IEC); (3) conforms to good utility practices.

Replace by:

The Transmitter and the Customer shall ensure that their respective new or altered equipment connected to the transmission system: (1) meets requirements of the Ontario Electrical Safety Authority **unless otherwise exempted**; (2) conforms to relevant industry standards including, but not limited to, CSA International, the Institute of Electrical and Electronic Engineers (IEEE), the American National Standards Association (ANSI), and the International Electrotechnical Commission (IEC); (3) conforms to good utility practices.

- 5.2 The minimum general performance standards for all equipment connected to the transmission system are set out in Appendix 2 of the Code. The Transmitter shall provide the technical parameters to assist the Customer to ensure that the design of the Customer’s equipment connected to the transmission system shall coordinate with the transmission system to achieve compliance with the Code and this Agreement.

Replace by:

The minimum general performance standards for all equipment connected to the transmission system are set out in Appendix 2 of the Code. The Transmitter shall provide the technical parameters to assist the Customer to ensure that the design of the Customer’s equipment connected to the transmission system shall coordinate with the transmission system to achieve compliance with the Code and this Agreement. **Responsibility for costs of any upgrade of the Customer’s equipment deemed compliant under section 2.6.2 of the Transmission Code will be determined by the OEB.**

6 OPERATIONAL STANDARDS AND REPORTING PROTOCOL

- 6.2 The Transmitter shall specify the fault levels at all connection points, including the Customer's connection points, as required by the Market Rules, which shall be recorded in Schedule D to this Agreement.

Replace by:

The Transmitter shall specify the fault levels (and the assumptions behind those levels) at all connection points, including the Customer's connection points, as required by the Market Rules, which shall be recorded in Schedule D to this Agreement.

- 6.5 The Customer shall provide prompt notice to the Transmitter in accordance with the Code or as agreed in Schedule D to this Agreement before disconnecting its equipment from the transmission system.

Replace by:

Where practical, the Customer shall provide prompt notice to the Transmitter in accordance with the Code or as agreed in Schedule D to this Agreement before disconnecting its equipment from the transmission system.

7.2 Involuntary Disconnection

- 7.2.1.6 if the Customer is a defaulting Party; or

Replace by:

if the Customer is a defaulting Party, however when the issue of default has been disputed by the Customer, no disconnection of a Customer may occur without a final resolution of the dispute, pursuant to section 13 of this Agreement; or

7.3 Disconnection-General

- 7.3.2 The Customer shall pay all costs that are directly attributable to an involuntary disconnection, and decommissioning of its facilities, including the cost of removing any of the Transmitter's equipment from the Customer's property and shall cooperate in establishing appropriate procedures for such decommissioning.

Replace by:

The Customer shall pay all costs that are directly attributable to an involuntary disconnection, and decommissioning of its facilities, including the cost of removing any of the Transmitter's equipment from the Customer's property and shall cooperate in establishing appropriate procedures for such decommissioning. The Transmitter will not require the removal of the protection and control wiring within the generating facility.

7.4 Reconnection after Involuntary Disconnection

7.4.2.3 the Customer has taken all necessary steps to prevent circumstances causing the disconnection from recurring and has delivered binding undertakings to the Transmitter that the circumstances leading to disconnection shall not recur; and

Replace by:

the Customer has taken all necessary steps to prevent circumstances causing the disconnection from recurring, has delivered on the binding decision to the Transmitter and has satisfied all requirements on it arising from any arbitrator's decision pursuant to section 13.11 that the circumstances leading to disconnection shall not recur; and

8 LIABILITY

8.3 Where the Customer uses the Transmitter's breakers as HV interruption devices or for synchronizing the generator to the transmission system, the Transmitter shall have no liability to the Customer, even where the Customer suffers damage as a result of the Transmitter's negligence or willful misconduct, except as follows:

- a) if damage occurs to the Customer's main output transformer ("MOT") due to the negligence or willful misconduct of the Transmitter, the liability of the Transmitter to the Customer shall be for the lesser of (i) the cost to repair the MOT and (ii) the cost to replace the MOT; and
- b) if damage occurs, due to the negligence or willful misconduct of the Transmitter, to the Customer's electrical equipment upstream of the MOT, but within the powerhouse, the liability of the Transmitter to the Customer shall be limited to 45% of the damage attributable to the said negligence or willful misconduct.

Notwithstanding a) and b) above, the Parties agree that the Transmitter's liability for a) and b) above shall not exceed \$25 million per event of negligence or willful misconduct, recognizing that one such event may cause damage under both a) and b).

The Customer agrees that it shall, within five years of the commencement date of this Agreement, conduct and complete studies concerning the installation of its own breakers for HV interruption and for synchronizing the generator to the transmission system. The Customer and Transmitter will meet to review these studies and to discuss whether installation of the additional breakers by the Customer is warranted. The Parties will advise the OEB of the results of these discussions. The Parties agree that, after advising the OEB, the responsibility for any incremental costs incurred by the Transmitter as a result of the Customer not having its own breakers at these stations shall be as determined by the OEB.

Where these breakers are installed and the Customer no longer uses the Transmitter's breakers as HV interruption devices or for synchronizing this liability limitation will no longer be applicable.

The facilities covered by this clause are Bruce "A", Pickering "A" & "B", Lakeview, and Abitibi during normal operation, and Bruce "B" (Units 5,7,8), and Darlington during by-pass/emergency operation.

Include the above

9 REPRESENTATIONS AND WARRANTIES

9.1.1.3 that its facilities meet the technical requirements of the Code and this Agreement, excluding equipments that are deemed compliant under section 2.6 of the Code which is listed in Schedule J of this Agreement; and

Replace by:

9.1.1.3 that its facilities meet the technical requirements of the Code and this Agreement, excluding equipment that is deemed compliant under section 2.6 of the Code which is listed in Schedule J of this Agreement; and

10 REQUIREMENTS FOR OPERATIONS AND MAINTENANCE

10.4.1 Each Party shall specify its controlling authority in accordance with the operations schedule attached to this Agreement.

Replace by:

Each Party shall specify its Controlling Authority in accordance with the operations schedule attached to this Agreement.

10.4.2 The Transmitter and the Customer shall comply with all requests by the other Party's controlling authority in accordance with this Agreement and the Code.

Replace by:

The Transmitter and the Customer shall comply with all requests by the other Party's Controlling Authority in accordance with this Agreement and the Code.

10.6.2 When the Parties have so agreed in writing, one Party may appoint an employee of the other as its designate for switching-purposes.

Replace by:

When the Parties have so agreed in writing, one Party may appoint an employee of the other as its designate for switching-purposes. Orders to operate, however, must originate from the Controlling Authority.

- 10.7.3 The Transmitter shall provide to the Customer the isolation and reconnection of the Customer's equipment at the Customer's request at no cost to the Customer, once per year, during normal business hours. The Customer shall pay the Transmitter's reasonable costs for isolating and reconnecting the Customer's equipment if the requested isolation and reconnection is for a time outside of normal business hours.

Replace by:

The Transmitter shall provide to the Customer the isolation and reconnection of the Customer's equipment at the Customer's request at no cost to the Customer, **one time per generating unit per year, which can be aggregated across multi-unit stations** during normal business hours. The Customer shall pay the Transmitter's reasonable costs for isolating and reconnecting the Customer's equipment if the requested isolation and reconnection is for a time outside of normal business hours.

- 10.7.4 The Transmitter shall charge the Customer, and the Customer shall pay, the reasonable costs incurred by the Transmitter for isolating and reconnecting the Customer's equipment for any isolation and reconnection request in excess of one per year as specified in section 10.7.3 above.

Replace by:

The Transmitter shall charge the Customer, and the Customer shall pay, the reasonable costs incurred by the Transmitter for isolating and reconnecting the Customer's equipment for any isolation and reconnection request in excess of one **time per generating unit per year, which can be aggregated across multi-unit stations** as specified in section 10.7.3 above.

- 10.8.3 **The Customer shall provide to the Transmitter the isolation and reconnection of the Transmitter's equipment at the Transmitter's request at no cost to the Transmitter, one time per generating unit per year, which can be aggregated across multi-unit stations, during normal business hours. The Transmitter shall pay the Customer's reasonable costs for isolating and reconnecting the Transmitter's equipment if the requested isolation and re-connection is for the time outside of normal business hours.**

Include the above

- 10.8.4 **The Customer shall charge the Transmitter, and the transmitter shall pay, the reasonable cost incurred by the Customer for isolating and reconnecting the Transmitter's equipment for any isolation and reconnection request in excess of one time per generating unit per year, which can be aggregated across multi-unit stations as specified in section 10.8.3 above.**

Include the above

10.13 Emergency Operations

Note that parts 10.13.3 to 10.13.8 do not apply to Generators.

Include the above

10.13.3 The Transmitter may be required from time to time to implement load shedding as outlined in this Agreement, Schedule D, section 7.

Exclude the above for Generators

10.13.4 The Customer shall identify the loads (and their controllable devices) to be included on the rotational load shedding schedules to achieve the required level of emergency preparedness.

Exclude the above for Generators

10.13.5 The Transmitter may review the rotational load-shedding schedule with the Customer annually or more often as required.

Exclude the above for Generators

10.13.6 The Customer shall comply with all requests by the Transmitter's controlling authority to shed load. Such requests shall be initiated to protect transmission system security and reliability in response to a request by the IMO.

Exclude the above for Generators

10.13.7 When the Transmitter's transmission facilities return to normal, the Transmitter's controlling authority shall notify the Customer's controlling authority to re-energize the Customer's facilities.

Exclude the above for Generators

10.13.8 The Transmitter may be required from time to time to interrupt supply to the Customer during an emergency to protect the stability, reliability, and integrity of its own facilities and equipment, or to maintain its equipment availability. The Transmitter shall advise the affected Customer as soon as possible/practical of the transmission system's emergency status and when to expect normal resumption and reconnection to the transmission system.

Exclude the above for Generators

15 COMPLIANCE, INSPECTION, TESTING AND MONITORING

15.1.5 When requested by the Transmitter, the Customer shall produce test certificates certifying that its facilities have passed the relevant tests and comply with all applicable Canadian standards before connection.

Replace by:

With respect to new, modified or replacement equipment to be connected to the transmission system, the Customer shall, when requested by the Transmitter, produce test certificates certifying that its facilities have passed the relevant tests and comply with all applicable Canadian standards before connection.

18 TECHNICAL REQUIREMENTS FOR TAPPED TRANSFORMER STATIONS SUPPLYING LOAD

The Transmitter, the Customer, who is either a Distributor or a Consumer, shall follow the technical requirements set out in Schedule H of this Agreement.

Replace by:

Not applicable to Generators

23 INCORPORATION OF SCHEDULES

Schedule "M" - Amendment Agreement Template

Include the above

28 ENTIRE AGREEMENT

This Agreement, together with the schedules attached hereto, constitutes the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the matters dealt with herein.

Replace by:

This Agreement, together with the Addendum and schedules attached hereto, constitutes the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the matters dealt with herein.

Amendments to Schedules "D", "F", "G", "H", and "I"

Schedule "D"

Section 8 – Clause 1

1. A Customer shall re-verify its station protections and control systems that can impact on the Transmitter's transmission system. The maximum verification or re-verification interval is:

four (4) years for most of the 115 kV transmission system elements including transformer stations and transmission lines, and certain 230 kV transmission system elements; and two (2) years for all other high voltage elements. The maintenance cycle can be site specific.

Replace by:

A Customer shall re-verify its station protections and control systems that can impact on the Transmitter transmission system. The verifications will generally be carried out during generation outages. Where this cannot be accommodated within the time periods required for NPCC reporting, an entry will be made in the "EXCEPTIONS TO THE MAINTENANCE CRITERIA FOR BULK SYSTEM PROTECTION". The target date for the completion of the program will be indicated.

Schedule "F"

- 1.6.2 A Transmitter may require a Customer to install monitoring equipment to track the performance of its facilities, identify possible protection system problems, and provide measurements of power quality. As required, the monitoring equipment shall perform one or several of the following functions:

Replace by:

A Transmitter may require a Customer to install monitoring equipment to track the performance of its facilities, identify possible protection system problems, and provide measurements of power quality. The responsibility for costs will be as determined by the OEB. As required, the monitoring equipment shall perform one or several of the following functions:

- 1.6.5 The Customer shall bear all costs, without limitation, of providing all required telemetry data, associated with its facilities to the Transmitter and providing all required connection inputs to the Transmitter's disturbance-monitoring equipment.

Replace by:

The Customer shall bear all costs, without limitation, of providing the same telemetry data required under the Market Rules, associated with its facilities to the Transmitter and providing all required connection inputs to the Transmitter's disturbance-monitoring equipment, except:

- Where the connection inputs to the Transmitter's disturbance-monitoring equipment are of mutual benefit to the Customer and the Transmitter in which circumstance the Customer and Transmitter shall share the cost of providing the data in proportion to the benefits received; or
- Where the connection inputs to the Transmitter's disturbance-monitoring equipment are required only for the transmitter's benefit in which case the transmitter shall pay all of the costs associated with providing the data.

- 1.8.1 The Transmitter may at its sole discretion specify the maintenance criteria and the maximum time intervals between verification cycles for those parts of Customers' facilities that may materially adversely affect the transmission system. The obligations for maintenance and performance re-verification shall be stipulated in the appropriate schedule to this Agreement.

Replace by:

The Transmitter, using Good Utility Practice, may specify the maintenance criteria and the maximum time intervals between verification cycles for those parts of Customers' facilities that may materially adversely affect the transmission system. The obligations for maintenance and performance re-verification shall be stipulated in the appropriate schedule to this Agreement.

- 1.8.5 To ensure that the Transmitter's representative can witness the relevant tests, the Customer shall submit the proposed test procedures and a test schedule to the Transmitter not less than ten business days before it proposes to carry out the test. Following receipt of the request, the Transmitter may delay for technical reasons the testing for as long as ten business days.

Replace by:

To ensure that the Transmitter's representative can witness the relevant tests, the Customer shall submit the proposed test procedures and a test schedule to the Transmitter not less than ten business days before it proposes to carry out the test. Following receipt of the request, the Transmitter may delay for technical reasons the testing for as long as ten business days. The Transmitter will use best efforts to make the required test date.

Schedule "G"

1.5 Autoreclosure and Manual Energization

- 1.5.2 Following a protection operation on a transmission line, the transmission breakers, located mainly in network switching and/or transformation stations, shall reclose after a certain time delay. The Generator shall provide a reliable means of disconnecting its equipment before this reclosure. The Generator is responsible for protecting its own equipment and the Transmitter is not liable for damage to the Generator's equipment. The Generator may request a means of supervising the transmission reclosure prior to the disconnection of its equipment e.g. changes in protection logic at one or both stations to reduce the risk of such events.

Replace By:

Following a protection operation on a transmission line, the transmission breakers, located mainly in network switching and/or transformation stations, shall autoreclose after a certain time delay. Where the Generator is directly connected to the transmission

line, or for configurations where the Generator could be damaged by autoreclosure of the line, the Generator shall provide a reliable means of disconnecting its equipment before autoreclosure. The Generator is responsible for protecting its own equipment and the Transmitter is not liable for damage to the Generator's equipment except as stipulated in Section 8, Appendix 1 of this Code. The Generator may request a means of supervising the transmission autoreclosure prior to the disconnection of its equipment e.g. changes in protection logic at one or both stations to reduce the risk of such events. The criteria governing the use of reclosures are as set out in the Ontario Hydro "Policies, Principles, & Guidelines" document "C-3.4.1 (R1), Automatic Reclosure and Manual Energization on Bulk Electricity System Circuits," which was in effect as of April 1, 1999.

Schedule "H"

Technical Requirements for Tapped Transformer Stations Supplying Load:

- (a) Transmitter's Tapped Transformer Stations
- (b) Distributor's and Consumer's Tapped Transformer Stations

Exclude entire Schedule H

Schedule "I"

- 1.3.1 Customers shall perform routine verifications of protection systems on a scheduled basis as specified by the Transmitter in accordance with applicable reliability standards. The maximum verification interval is four years for most 115-kV elements, most transformer stations, and certain 230-kV elements and two years for all other high-voltage elements. All newly commissioned protection systems shall be verified within six months of the initial in-service date of the system.

Replace by:

Customers shall perform routine verifications of protection systems on a scheduled basis in accordance with applicable reliability standards. The maximum verification interval is four years for most 115-kV elements, most transformer stations, and certain 230-kV elements and two years for all other high-voltage elements. All newly commissioned protection systems shall be verified within six months of the initial in-service date of the system.

ADDENDUM 'B'

Specific Nuclear Arrangements and Areas of Clarification

Addendum Setting out:

- (i) the Obligations of the Transmitter in Respect of the Provision of Class IV Power and
- (ii) the Rights and Obligations of the Parties in Respect of their Property Interests and Mutual Cooperation

Contents

- I Purpose
- II Principles Governing the Specific Nuclear Arrangements and Areas of Clarification
- III Specific Terms

I Purpose

The purpose of this addendum is to capture those requirements that the Transmitter must meet and adhere to in order for the Customer to be in conformance with its Power Reactor Operating Licence (PROL) and fulfill its obligations to the general public in maintaining the nuclear safety of the generating units. Meeting these requirements necessitates changes, in whole or in part, to a number of the sections of the standard Connection Agreement attached to the Ontario Energy Board's Transmission System Code. These changes are documented below in a format that identifies the existing section in the Connection Agreement and sets out the section that replaces it.

The provision of a continuous and reliable supply of Class IV power is an integral part of maintaining and ensuring reactor safety. In shutdown or lay-up conditions, the unit service loads must continue to be supplied to ensure nuclear safety. Loss or degradation of the electrical grid can be one of the most safety-significant events to occur at nuclear power plants. Such events have the potential to result in loss of main heat sink forcing the transfer to back-up heat sink, loss of output, automatic safety system actuation, and degraded containment functions.

II Principles Governing the Specific Nuclear Arrangements and Areas of Clarification.

- II.1 In any circumstance where there is an inconsistency between the terms of the Transmission System Code, the Connection Agreement and the terms of this Addendum, the terms of this Addendum shall prevail, except where contrary to applicable law.
- II.2 Good Utility Practice is not intended to be limited to optimum practices, or methods, or act to the exclusion of all others, but rather to include all practices, methods or acts generally accepted in North America including those in the nuclear sector as the Customer holds a PROL from the Canadian Nuclear Safety Commission ("CNSC") and the Transmitter is providing a Transmission Service and Off-Site Power service to the Customer.
- II.3 The Transmitter agrees to operate and maintain its transmission assets including the switchyards at the Customer's Facility in a manner which will meet the requirements of the Customer's PROL as reflected in this Addendum.
- II.4 This Agreement shall continue in effect until a mutually agreeable termination date not to exceed the date on which the PROL for the Customer's Facility is terminated, provided that;
 - II.4.1 the Customer has satisfied all CNSC requirements and commitments required to be satisfied in order to eliminate the need for a transmission connection to provide an Off-Site Power service under this Agreement, and

- II.4.2 the Customer no longer holds any other nuclear related licence for the Customer's Facility which identifies a requirement for an Off Site-Power service.
- II.5 The Customer agrees to make timely application to the CNSC for authorization to terminate this Agreement when circumstances warrant.
- II.6 Notwithstanding all other provisions of the Transmission System Code, the Connection Agreement and this Addendum except for Subsection 10.13.1 of the Connection Agreement, the Transmitter shall not, under any circumstances disconnect the Customer's Off-Site Power required to meet its obligations under its PROL, either during the term of this Agreement, or upon its termination unless such action is pursuant to a decision of applicable regulator authority(ies) or a court having jurisdiction or the mutual agreement of the Customer and the Transmitter.
- II.7 To the extent practicable, in the event of an Emergency as identified in Subsection 10.13.1 of the Connection Agreement that requires disconnection of the Customer's Facility from the Transmission System, or the Customer's Facility from the Off-Site Power services, the Transmitter shall give the Customer reasonable opportunity to shut down in a controlled manner such parts of the Customer's Facility as deemed appropriate by the Customer before the Transmitter disconnects the Customer's Facility from the Transmission System.
- II.8 In the event of an unplanned outage of the conveyance of Off-Site Power, the Transmitter will use best efforts to promptly restore that service.
- II.9 The Customer shall pay the additional incremental costs of the transmitter arising from any regulatory requirement from the CNSC coming into force after the execution of this Agreement;
- II.9.1 Until such time as these costs can be recovered in rates or elsewhere and that the work giving rise to the costs has not been carried out for the benefit of other parties or as a requirement placed on the Transmitter from other sources; and
- II.9.2 No additional costs are attributable to the provision of the Transmission connection in support of the conveyance of Off-Site Power at historical reliability levels.
- II.10 Except as identified in the Connection Agreement Subsection 10.13.1 or applicable laws, the Transmitter shall take no action to prevent the Customer from utilizing Off-Site Power.

III Specific Terms

The following provides changes, deletions and additions to specific clauses that form part of the Connection Agreement and the Schedules thereto, as agreed to by the Parties.

Amendments to the Connection Agreement

Incorporation of Procedures and Manuals by Reference

Numbers appearing within square brackets “[]” incorporate by reference the procedures or manuals so designated in Schedule Q.

Include the above

1. DEFINITIONS

1.19 Abbreviations

| | |
|--------|---|
| ANO | Authorized Nuclear Operator |
| BES | Bulk Electricity System |
| GRMC | Generation Resource Management Center |
| NGS | Nuclear Generating Station |
| OATIS | Operating, Administrative and Trades Information System |
| OP&P's | Operating Policies and Principles |
| OPEX | Operating Experience |
| P&SI | Process and System Implementation (Passport) |
| RTU | Remote Terminal Unit |
| SCR | Station Condition Record |
| SE | System Engineer |
| SLA | Service Level Agreement |
| SNO | Supervising Nuclear Operator |
| SPOC | Single Point of Contact |

Include the above

1.20 "Class IV Power" has the meaning ascribed thereto in part I of this Addendum B;

Include the above

1.21 "CNSC" means the Canadian Nuclear Safety Commission, or its successor;

Include the above

1.22 "Corrective Maintenance" Consists of actions that restore, by repair, overhaul, or replacement, the capability of a failed system, structure, or component to perform its design function within acceptable criteria;

Include the above

1.23 "Customer Facility" means the facilities defined in Schedule A of this Agreement;

Include the above

1.24 "Design Authority" means the organization within each Party which has the authority to make final binding decisions and give approval regarding design requirements, design assurance, and design output for existing, new, and modified facilities, structures, systems, Equipment, and components, including material and software;

Include the above

1.25 "Equipment Ownership" means that authority which has design authority, maintenance responsibility and replacement responsibility for any particular piece of Equipment;

Include the above

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

As it relates to nuclear safety, Good Utility Practice also includes those practices, methods or acts generally accepted in North America relating to the conveyance of Off-Site Power as the Customer holds a PROL from the CNSC and the Transmitter is providing Transmission Service and conveying Off-Site Power to the Customer;

Include the above

1.27 “Modification” means any permanent or temporary addition, deletion or change to existing Equipment, systems or documentation;

Include the above

1.28 “Off-Site Power” means the electricity conveyed by the Transmitter to the Customer’s Facility, generally through the Customer’s system service transformers, which enables the Customer to meet its obligations under its Power Reactor Operating Licence for the provision of a reliable supply of Class IV Power;

Include the above

1.29 “Open/Close Control” means an activity, authorized by the Controlling Authority, to change the position of a specific apparatus or device;

Include the above

1.30 “Part Substitution” means the installation of an item, which is not identical to the original item, and which does not alter the equipment or component design specifications of both the item and the applicable interfaces;

Include the above

1.31 “PASSPORT” means a suite of applications integrated into a central database capable of providing the required information infrastructure to enable business information to be shared in a (real-time) timely manner;

Include the above

1.32 “Power Reactor Operating Licence” or “PROL” means the licence issued to the Customer pursuant to the Atomic Energy Control Act or its successor, the Nuclear Safety Control Act, for the operation of a nuclear installation in Canada;

Include the above

1.33 “Predefines” means identified work of a recurrent nature;

Include the above

1.34 “Predictive Maintenance” consists of the actions necessary to monitor, find trends, and analyze parameter, property, and performance characteristics or signatures associated with a piece of Equipment that indicate the Equipment may be approaching a state in which it may no longer be capable of performing its intended function;

Include the above

1.35 “Preventive Maintenance” Consists of all those systematically planned and scheduled actions, including predictive or planned maintenance, performed for the purpose of preventing Equipment failure;

Include the above

1.36 “Protected Area” means the area enclosed by station security fences with the entry and exit points controlled by the Customer’s security personnel. Personnel entering the

protected area must have Security Clearance [11] or be sponsored and escorted by a Customer site employee who has Security Clearance;

Include the above

- 1.37 "Scheduled Outage" means a planned removal from service of Equipment that has been coordinated in advance with a mutually agreed start date and duration and is required for the purposes of inspection, testing, Preventive Maintenance or Corrective Maintenance;

Include the above

- 1.38 "Single Point of Contact" or "SPOC" means the individuals designated in Schedule D with overall work approving authority for a given facility whose function is (i) immediate review of identified needs for approval, (ii) verification of incoming needs for duplication, completeness, and validity, (iii) prioritization of work into major categories, (iv) recognition of potential system impairments, (v) encouragement of effective use of resources across the facility and approval of work-needs in accordance with the approved divisional work programs, (vi) to act as a representative of the facility and be an integral part of the work control, or (vii) participation in the final decision for resolution of issues [4];

Include the above

- 1.39 "Terminal Point" means a device that serves as a division point between Equipment under the control of any two authorities. Operation of a Terminal Point requires the approval of both Controlling Authorities;

Include the above

2. PURPOSE OF AGREEMENT.

This Agreement sets out the terms and conditions upon which the Transmitter has agreed to offer, and the Customer has agreed to accept Connection Service.

Replace by:

This Agreement sets out the terms and conditions upon which the Transmitter has agreed to offer, and the Customer has agreed to accept connection service.

The Power Reactor Operating Licence held by the Customer requires that the switchyards at Customer's Facility meet a certain standard of reliability as a whole and at the level of the individual components. It also requires that switchyard operating procedures and maintenance practices meet certain prescribed standards. The Transmitter agrees to operate and maintain its transmission assets including the switchyards at the Customer's Facility in a manner which will meet the requirements of the Customer's PROL as reflected in this Agreement.

3. TRANSMISSION SYSTEM CODE

The Transmission System Code (the "Code") and this Agreement establish minimum testing, operational and maintenance standards for the Transmitter and the Customer. The Parties hereto hereby agree to be bound by, and to act at all times in accordance with the Code which is hereby incorporated in its entirety by reference into, and which hereby forms part of this Agreement.

Replace by:

The Transmission System Code (the "Code") and this Agreement establish minimum testing, operational and maintenance standards for the Transmitter and the Customer. The Parties hereto hereby agree to be bound by, and to act at all times in accordance with the Code which is hereby incorporated in its entirety by reference into, and which hereby forms part of this Agreement **except insofar as it is inconsistent with the terms of this Agreement. In any circumstance where there is an inconsistency between the terms of the Code and requirements of the Customer's PROL, the requirements of the PROL shall prevail.**

5. EQUIPMENT STANDARDS

5.3 The Transmitter and the Customer shall fully cooperate to ensure that modelling data required by the Code and this Agreement for the planning, design and operations of connections are complete and accurate, and the Transmitter shall order required tests where there are grounds to question the validity of such data. This includes, but is not limited to, the Information in Appendix 1, Schedule E, Parts (A) to (E), where applicable.

Replace by:

5.3 The Transmitter and the Customer shall fully cooperate to ensure that modeling data required by the Code and this Agreement for the planning, design and operations of connections are complete and accurate, and the Transmitter shall order required tests where there are **reasonable** grounds to question the validity of such data. This includes, but is not limited to, the information in Appendix 1, Schedule E, Parts (A) to (E), where applicable. **Any such tests must be conducted in a manner consistent with the Customer's obligations under its Power Reactor Operating Licence.**

6 OPERATIONAL STANDARDS AND REPORTING PROTOCOL

6.8 Upon learning of any changes that can affect the reliability of the Customer's facilities, the Transmitter shall promptly submit a written report to the Customer describing any and all changes, including, without limitation, changes to the Transmitter's facilities, equipment, and associated protective relaying or protective relaying settings, or any other changes of any kind whatsoever that might affect the reliability of that Customer's facilities.

Replace by:

Upon learning of, or before implementing any changes that may affect the reliability of the Transmitter's facilities, and in particular, the reliability of the conveyance of the Customer's Off-Site Power and its ability to meet its obligations under its Power Reactor Operating Licence, the Transmitter shall promptly submit a written report to the Customer describing any and all such proposed changes, including, without limitation, proposed changes to the Transmitter's facilities, Equipment, and associated protective relaying or protective relaying settings, or any other changes of any kind whatsoever that might affect the reliability of that Customer's facilities. The Customer shall have a period of time as set out in Schedule D to consider whether the proposed change would materially affect its ability to comply with its obligations under its Power Reactor Operating Licence. In the event that the Customer, acting reasonably, determines that the proposed change would materially affect its ability to meet its obligations under the Power Reactor Operating Licence, the Transmitter shall not proceed with the proposed change without obtaining prior written approval of the applicable regulatory authority(ies). Any incremental costs which do not provide a benefit to the Transmission System resulting from altering the proposed change so as not to materially affect the Customer's ability to comply with its obligations under the PROL, shall be identified by the Transmitter and paid for by the Customer.

7.2 Involuntary Disconnection

- 7.2.1 The Transmitter may disconnect the Customer's facilities, at any connection point at any time throughout the term of this Agreement in any of the following circumstances:

Replace by:

- 7.2.1 Notwithstanding all other provisions of this Agreement except for Subsection 10.13.1, the Transmitter shall not, under any circumstances except where authorized by an appropriate regulatory authority or court of law, disconnect the Customer's Off-Site Power required to meet its obligations under its Power Reactor Operating Licence, either during the term of this Agreement, or upon its termination. However, in the event of an Emergency that requires disconnection of the Customer's Facility from the Transmitter's transmission system facilities, the Transmitter shall, to the extent that it is within its control, give the Customer reasonable opportunity to shut down the nuclear reactors in a controlled manner before the Transmitter disconnects the Customer's Facility from the transmission system. Subject to the above, other than Off-Site Power, the Transmitter may, by following the requirements of this Agreement, disconnect the Customer's Facilities to prevent the Customer's electricity output from entering the Transmitter's transmission facilities during the term of the Agreement in the following circumstances:

7.3 Disconnection-General

7.3.3 For the duration of the disconnection the Transmitter shall not be obliged to fulfill any agreement to convey electricity to or from the Customer's facilities.

Replace by:

7.3.3 For the duration of the disconnection, the Transmitter shall continue to provide the conveyance of Off-Site Power to the Customer's Facilities.

8 LIABILITY

8.1 The Transmitter shall only be liable to the Customer and the Customer shall only be liable to the Transmitter for any damages which arise directly out of the willful misconduct or negligence:

8.1.1 of the Transmitter in providing Transmission Services to the Customer;

8.1.2 of the Customer during the period it is connected to the Transmitter's transmission facilities; or

8.1.3 of the Transmitter or Customer in meeting their respective obligations under this Agreement, the Transmission System Code, their licences and any other applicable law.

8.2 Despite section 8.1, above, neither the Transmitter nor the Customer 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, incidental or special damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise.

Replace by:

8.1 Subject to sections 8.2A and 8.2B below, the Transmitter shall only be liable to the Customer, and the Customer shall only be liable to the Transmitter, and each Party shall indemnify the other, only for damages that arise directly out of the willful misconduct or negligence:

8.1.1 of the Transmitter in providing Transmission Services to the Customer;

8.1.2 of the Customer during the period that it is connected to the Transmitter's transmission facilities; or

8.1.3 of the Transmitter or Customer in meeting their respective obligations under this Agreement, the Transmission System Code, their licences and any other applicable law.

- 8.2A The Transmitter shall not be liable to the Customer for any damages or loss caused by the hazardous properties of nuclear material as defined under the Nuclear Liability Act, R.S.C. 1985, N-28, as amended. In the event that any such damages or loss occur wholly or partially as a result of an unlawful act or omission of an employee, agent, contractor or sub-contractor of the Transmitter, done with the intent to cause injury or damage, the Transmitter shall not be liable for any claims by the Customer's insurer, in accordance with the letter dated May 10, 2001, from the Customer's insurer appended to this Agreement as Schedule R.
- 8.2B 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, incidental or special damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise.

10 REQUIREMENTS FOR OPERATIONS AND MAINTENANCE

- 10.1.1 When the Transmitter's staff, its contractors, or agents work at the Customer's facilities or site, the Customer's safety and environmental requirements shall be observed by such staff, contractors and agents.

Replace by:

- 10.1.1 When the Transmitter's staff, its contractors, or agents work at the Customer's Facilities or site, the Customer's safety and environmental requirements and obligations under its PROL shall be observed by such staff, contractors and agents, to the extent that those requirements and obligations have been communicated to the Transmitter.

The Customer shall provide appropriate site specific training, as required by the Customer, for staff, contractors and agents nominated by the Transmitter, to cover the work identified by the transmitter. The Transmitter's staff, its contractors and its agents will only be expected to be trained in and observe those requirements identified for the particular area in which they are to work and the nature of that work.

- 10.1.2 When the Transmitter can show the Customer, to the Customer's satisfaction, that the Transmitter's safety and environmental practices provide for an equivalent or better level of safety or environmental protection, the Customer shall give permission to work to the Transmitter's safety and environmental practices. As a minimum, all applicable statutes and regulations shall govern such work.

Exclude the above

10.3.1 Operations and maintenance shall be performed only by qualified persons.

Replace by:

Operations and maintenance by the Customer's staff at the Transmitters site and by the Transmitter's staff at the Customer's site shall be performed only by qualified persons trained to understand the hazards involved at each site.

10.6.3 The Customer shall comply with all switching instructions issued by the Transmitter's Controlling Authority to maintain the security and reliability of the transmission system. The two Controlling Authorities shall agree to procedures prior to undertaking any switching-operations.

Replace by:

10.6.3 The Customer shall comply with all switching instructions issued by the Transmitter's Controlling Authority to maintain the security and reliability of the Transmission System unless this conflicts with public safety, life, property, or the environment, as applicable to a Nuclear Generating Station and as required by the Customer's PROL or with the terms of this Agreement. The two Controlling Authorities shall agree to procedures prior to undertaking any switching operations.

10.11 Scheduling of Planned Work

In order to maintain the conveyance of reliable Off-Site Power, the parties will co-ordinate outage plans in accordance with Good Utility Practice and shall use their best efforts to schedule outages on mutually acceptable dates. To the extent practical, the Transmitter shall schedule any shutdown, withdrawal or testing of facilities to co-ordinate with the Customer's scheduled outages.

Include the above

10.11.2 The Customer shall, take all reasonable steps to ensure that its anticipated and planned outages for the upcoming year are submitted to the Transmitter by October 1st of each year.

Replace by:

The Customer shall, take all reasonable steps to ensure that its anticipated and planned outages for the upcoming year are submitted to the Transmitter by October 1st of each year.

Notice requirements for planned work are contained in this Addendum under Schedule D "Outage Planning".

- 10.11.3 At least four days in advance of planned work that requires feeder breaker to be opened or operated and at least ten days in advance of planned work that requires operations of multiple feeder breakers, station bus or a whole transformer station, the Customer's Controlling Authority shall fax requests to the appropriate Transmitter contact identified in the operations schedule of this Agreement.

Replace by

- 10.11.3 At least four days in advance of planned work by the Transmitter that requires a Transmitter's feeder breaker to be opened or operated and at least ten days in advance of planned work by the Transmitter that requires operations of the Transmitter's multiple feeder breakers, Transmitter's station Bus or a Transmitter's whole transformer station, the Customer's Controlling Authority shall fax requests to the appropriate Transmitter contact identified in Part 1, Schedule D of this Agreement.

- 10.11.4.1 any disconnection from the Transmitter's transmission facilities of less than 50 kV e.g. disconnection from a feeder breaker owned by the Transmitter or by the Customer,

Exclude the above

- 10.11.4.2 load changes greater than 5 MW, or

Exclude the above

- 10.11.5 The Transmitter's Controlling Authority shall notify the Customer's Controlling Authority at least four days in advance of any planned work that requires a feeder breaker to be opened or operated and at least ten days in advance of planned work that requires operations of multiple feeder breakers, station bus or a whole transformer station, that directly affects the Customer's facilities, by contacting the appropriate Customer contact identified in the operations schedule to this Agreement.

Replace by:

- 10.11.5 The Transmitter's Controlling Authority shall notify the Customer's Controlling Authority at least ten days in advance of planned work that requires operations of a station bus, that directly affects the Customer's facilities, by contacting the appropriate Customer contact identified in Part 1, Schedule D of this Agreement.

- 10.11.9 Details regarding outage planning particular to the Customer are in Schedule D, Part 1, Section 6.2 "Outage Planning".

Include the above

- 10.11.10 In circumstances where the Customer reasonably believes that there is a material threat to its ability to comply with its PROL, the Customer may direct the Transmitter to undertake work on the Transmitter's facilities or Equipment. The Transmitter shall comply with this direction promptly provided that this work does not conflict with the Transmitter's legislative, regulatory or safety requirements, as the case may be. To avoid indiscriminate use of this provision, the request must be made by a Customer's senior staff (e.g. director level or above) to the Transmitter's Director of Network Management Program Execution or delegate. The Transmitter's Director shall immediately authorize the directed work and the work shall be completed on an expedited basis.

Incremental costs incurred by the Transmitter in complying with this direction shall initially be paid by the Customer upon receipt of a bill outlining in reasonable detail the amount and breakdown of the incremental costs, and may later be shared between the Transmitter and the Customer by mutual agreement. In no circumstances will the Customer be billed under this section for regularly scheduled maintenance that was not performed by the Transmitter. Where the Customer and the Transmitter can not agree on the sharing of these costs, the matter shall be resolved through the Dispute Resolution process set out in Section 13 of this Agreement.

Include the above

10.14 Access and Security of Facilities

- 10.14.9 In an Emergency, a site owner may, as far as reasonably necessary in the circumstances, have access to and interfere with the other Party's facilities. The site owner shall use reasonable efforts not to cause loss or damage to the other Party's facilities. If the site owner interferes with any of the facilities, it shall indemnify the other Party for reasonable costs and expenses incurred from any resulting loss or damage.

Replace by:

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

10.14.10 Access to Equipment in the switchyard and switchyard security is the responsibility of both Parties subject to the Customer's obligation under its Power Reactor Operating Licence. Only authorized personnel are allowed unaccompanied access to the switchyard. Access codes and keys should be registered with Customer site security which must be kept informed of gates left unlocked on a shift by shift basis, otherwise all gates must be closed and locked at all times.

Include the above

10.14.11 The Controlling Authorities shall be notified upon entry and exit of personnel from the switchyard. The Transmitter and Customer will comply with each others procedures for accessing the switchyards: specifically the Transmitter's OATIS instruction [56], and the Customer's operating manual [18].

Include the above

11 TERM AND TERMINATION OF CONNECTION AGREEMENTS

This Agreement shall continue in effect until a mutually agreeable termination date not to exceed the date on which the Customer's PROL for the Customer Facility is terminated, provided that;

- the Customer has satisfied all CNSC requirements and commitments required to be satisfied in order to eliminate the need for a transmission connection to provide an Off-Site Power service under this Agreement, and
- the Customer no longer holds any other nuclear related licence for the Customer's Facility which identifies a requirement for an Off Site-Power service.

or until such time the parties execute an agreement which provides for the conveyance of Off-Site Power in a manner which satisfies any license that the Customer is required to hold by the CNSC or other regulatory body.

Include the above

11.2 Termination by a Non-Defaulting Party

11.2.1 A non-defaulting Party may terminate the Agreement at any time during the term or any renewal thereof by giving the other Party six months' prior written notice setting out the termination date. Termination in the event of a default shall follow the procedures set out in section 12.4 of this Agreement.

Exclude the above

11.3 Right to Disconnect

- 11.3.1 If a non-defaulting Party gives notice to terminate the Agreement under section 12.2.1, the Transmitter shall disconnect the connection point on the termination date specified in that notice or on another date that the Parties have agreed upon in writing.

Exclude the above

11.4 Right to Remove Assets

- 11.4.1 When a non-defaulting Party has terminated the Agreement under section 11.2.1, the Transmitter may disconnect the connection point and shall be entitled to decommission and remove any of its assets associated with the connection and the connection point.

Replace by:

- 11.4.1 The Transmitter may only disconnect the connection point after the nuclear units are decommissioned. During the decommissioning phase, the Parties may negotiate a new connection agreement (the "New Agreement") to provide for the conveyance of Off-Site Power in a manner which satisfies any license that the Customer is required to hold by the CNSC or other regulatory body. Upon execution of the New Agreement, the Transmitter shall be entitled to decommission and remove any of its assets associated with the connection point and which are not required under the terms of the New Agreement.

12 EVENTS OF DEFAULT AND TERMINATION

- 12.4.1 A non-defaulting Party may, without prejudice to other rights and remedies provided for in this Agreement with respect to an Event of Default, which has not been remedied within the periods set forth below, terminate this Agreement by written notice to the defaulting Party:

Replace by:

- 12.4.1 A Non-defaulting Party may, without prejudice to other rights and remedies provided for in this Agreement with respect to an Event of Default, which has not been remedied within the periods set forth below, terminate this Agreement, provided that such termination under no circumstances permits the Transmitter to cease the conveyance of the Customer's Off-Site Power required to meet its obligations under its Power Reactor Operating Licence, unless the Transmitter has the approval of the appropriate regulatory authority(ies) or a court of competent jurisdiction, it being the intent of the Parties that if the Customer is the Defaulting Party, the Transmitter can terminate the Agreement only insofar as it relates to the Transmitter's obligations to accept and transmit electricity generated by the Customer to the Market, by written notice to the Defaulting Party:

12.5.1 Neither the Transmitter nor the Customer may terminate the Agreement except in accordance with the applicable provisions set out in the Code or this Agreement.

Replace by:

12.5.1 Neither the Transmitter nor the Customer may terminate the Agreement except in accordance with the applicable provisions set out in the Code **and** this Agreement.

12.5.2 If either a Transmitter or a Customer chooses to terminate this Agreement pursuant to its rights under section 12.4, then upon termination the Agreement will, subject to section 12.5.3, be of no further force and effect.

Replace by:

12.5.2 If either a Transmitter or a Customer chooses to terminate this Agreement pursuant to its rights under section 12.4, then upon termination the Agreement will, subject to Subsection 12.5.3 **and Subsection 12.4.1**, be of no further force and effect.

12.6.1 If the Transmitter is the non-defaulting Party, the default has not been remedied and the cure period has expired, it may, on providing a written notice ten business days in advance, disconnect the connection point where the default remains unremedied at the end of the ten business days notice period.

Replace by:

12.6.1 If the Transmitter is the Non-defaulting Party, the default has not been remedied and the Cure Period has expired, it may, **subject to Subsection 12.4.1**, on providing a written notice ten business days in advance, disconnect the connection point where the default remains unremedied at the end of the ten business days notice period.

13 DISPUTE RESOLUTION

13.1 Exclusivity

13.1.1 Except where this Agreement states otherwise, the dispute resolution procedures set forth in this Agreement shall apply to all disputes arising between the Customer and the Transmitter regarding the Agreement and the Code and shall be the only means for resolving any such disputes.

Replace by:

13.1.1 Except where this Agreement states otherwise, the dispute resolution procedures set forth in this Agreement shall apply to all disputes, **other than those relating to**

nuclear safety, arising between the Customer and the Transmitter regarding the Agreement and the Code and shall be the only means for resolving any such disputes.

13.2 Duty to Negotiate

13.2.1 Any dispute between the Customer and the Transmitter over this Agreement shall first be referred to a designated representative chosen by the Customer and to a designated representative chosen by the Transmitter for resolution on an informal basis.

Replace by:

13.2.1 Any dispute, **other than those relating to nuclear safety**, between the Customer and the Transmitter over this Agreement shall first be referred to a designated representative chosen by the Customer and to a designated representative chosen by the Transmitter for resolution on an informal basis. **Any dispute relating to nuclear safety may be referred to such designated representatives on an informal basis or to a court of competent jurisdiction as set out in Subsection 13.3.1 below.**

13.2.2 Such designated representatives shall attempt in good faith to resolve the dispute within thirty days of the date when the dispute was referred to them, except that the Parties may extend such period upon which they agree in writing.

Replace By:

13.2.2 Such designated representatives shall attempt in good faith to resolve the dispute within thirty days of the date when the dispute was referred to them, except that the Parties may extend such period upon which they agree in writing. **When a dispute relating to nuclear safety is referred to such designated representatives, the designated representatives shall attempt in good faith to resolve the dispute within 48 hours of the date the dispute was referred to them unless the Parties agree otherwise in writing.**

13.3 Referral of Unresolved Disputes

13.3.1 If the designated representatives cannot resolve the dispute within the time period set out in subsection 13.2.2, either Party may submit the dispute to binding arbitration and resolution in accordance with the arbitration procedures set out below.

Replace by:

13.3.1 If the designated representatives cannot resolve the dispute within the time period set out in subsection 13.2.2, either Party may submit the dispute to binding arbitration and resolution in accordance with the arbitration procedures set out

below. If the dispute relates to nuclear safety, either party may apply to a court of competent jurisdiction to seek specific performance or injunctive relief. The Parties hereby agree that disputes relating to nuclear safety may cause irreparable harm to a Party, the Parties and/or the public for which ordinary damages are not an adequate or appropriate remedy and therefore it is necessary and appropriate to submit such disputes to a court of competent jurisdiction in order to obtain an order for specific performance or injunctive relief to compel the other Party to perform its obligations under this Agreement.

15 COMPLIANCE, INSPECTION, TESTING AND MONITORING

15.1.7 The Transmitter has the right to specify by addendum to this Agreement, the types of changes that require prior approval of the Transmitter before the Customer implements such changes. Such changes, that require prior approval of the Transmitter, shall be set out in Schedule A of this Agreement, and shall be limited to those that can have material adverse effect(s) on the Transmitter's transmission facilities or facilities of its other Customers.

Replace by:

15.1.7 The Parties have the right to specify by addendum to this Agreement, the types of changes that require prior approval of the Transmitter before the Customer implements such changes or that require prior approval of the Customer before the Transmitter implements such changes. Such changes, that require prior approval of the Transmitter, shall be set out in Schedule A of this Agreement, and shall be limited to those that can have material adverse effect(s) on the Transmitter's transmission facilities or facilities of its other Customers. Such changes that require prior approval of the Customer shall also be set out in Schedule A, and shall be limited to those that, subject to Sections 6.3 and 6.8, materially affect the ability of the Customer to meet its obligations under its PROL.

23 INCORPORATION OF SCHEDULES

Schedule N – Switchyard Equipment Affecting Nuclear Safety

Schedule O - Reliability Indices Used in Nuclear Safety Analysis

Schedule P – Drawings

Schedule Q – References

Schedule R – Letter from the Nuclear Insurance Association of Canada

Include the above

28 ENTIRE AGREEMENT

This Agreement, together with the schedules attached hereto, constitute the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the matters dealt with herein.

Replace by:

This Agreement, together with the **Addenda and Schedules** attached hereto, constitutes the entire agreement between the Parties and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the matters dealt with herein.

29 AMENDMENTS

29.1.8 Schedule M – Amendment Agreement Template

29.1.9 Schedule N – Switchyard Equipment Affecting Nuclear safety

29.1.10 Schedule O - Reliability Indices Used in Nuclear Safety Analysis

29.1.11 Schedule P – Drawings

29.1.12 Schedule Q – References

29.1.13 Schedule R – Letter from the Nuclear Insurance Association of Canada

Include the above

29.3 The Parties to this Agreement agree to forthwith, upon receipt of notice from the Board, do all things and take all actions necessary to amend this Agreement as specified by the Board.

Replace by:

29.3 The Parties to this Agreement agree to forthwith, upon receipt of notice from the Board, **provided that such direction does not materially affect the Customer's ability to meet its obligations under its Power Reactor Operating Licence, do all things and take all actions necessary to amend this Agreement as specified by the Board. If the direction from the Board is determined to materially affect the Customer's ability to meet its obligations under its Power Reactor Operating Licence, the parties agree to notify the Board and seek resolution.**

Amendments to Schedules

There are also a number of amendments to the Schedules required to cater for the requirements at the nuclear stations.

Schedule C – Include the Following

| Areas of Impact | Cure Period |
|--|-----------------|
| Any Action that Impacts on a Party's Obligations under its Power Reactor Operating Licence | Promptly |

Schedule F

1.2.3 With advance notice to the Customer, the Transmitter's personnel may lock the isolating disconnect switch in the open position:

Replace by:

1.2.3 Except during an Emergency as permitted by Subsection 10.3.1, the Transmitter shall not lock the isolating switch in the open position without the prior written agreement of the Customer. With the prior written agreement of the Customer the Transmitter may lock the isolating equipment switch in the open position in the following circumstances.

Tab II

Power Reactor Operating Licence Support Documentation

Tab II

Power Reactor Operating Licence Support Documentation

Purpose of this document:

The purpose of this document is to provide appropriate cross referencing between the existing sections of the Transmission Connection Agreement's Addendum "B", and the specific documents which support Ontario Power Generation's (OPG's) and Bruce Power's (BP's) Power Reactor Operating Licences (PROLs). It is the intent of this document to substantiate and clearly articulate the need for specific clauses to be embedded within the Transmission Connection Agreements with Hydro One (H1) relating to transmission service requirements of OPG's and BP's nuclear facilities.

The specific documents referenced in this memo do not necessarily constitute a comprehensive listing of support documentation for PROLs. Rather, they are intended to illustrate the need for appropriate PROL compliance to be included within Addendum "B" through the use of specific examples.

General Listing of References by Station (Table 1)

Specific mentions of the PROL within Addendum "B" have the following station specific reference numbers (as indicated in Table 1) assigned to them. These reference numbers correspond to those used in Table 2 (next section) to locate station specific documents that substantiate the need for the PROL inclusion in the Addendum.

1. **Reliability and Maintenance Issues** are indicated by "B1", "PA1", "PB1", and "D1" (depending on Station)
2. **Reporting Protocol & Change Control Issues** are indicated by "B2", "PA2", "PB2", and "D2" (depending on Station)
3. **Security Issues** are indicated by "B3", "PA3", "PB3", and "D3" (depending on Station)
4. **General Issues** are indicated in the table by all categories

Table 1

| Section of Document Containing Specific PROL Reference | Bruce Reference Number | Pickering A Reference Number | Pickering B Reference Number | Darlington Reference Number |
|---|-------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| I. Purpose (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| II.2 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| II.3 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| II.4 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| II.6 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 1.26 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 1.28 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 1.32 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 2 - Purpose (Reliability and Maintenance, Reporting Protocol & Change Control) | B1, B2 | PA1, PA2 | PB1, PB2 | D1, D2 |
| III. 3 - TSC (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 5.3 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 6.8 (Reliability and Maintenance, and Reporting) | B1, B2 | PA1, PA2 | PB1, PB2 | D1, D2 |

| Section of Document Containing Specific PROL Reference | Bruce Reference Number | Pickering A Reference Number | Pickering B Reference Number | Darlington Reference Number |
|---|-------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| Protocol & Change Control) | | | | |
| III. 7.2.1 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 7.3.3 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.1.1 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.1.2 – deletion (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.3.1 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.6.3 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.11 – clause addition (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.11.2 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.11.3 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.11.5 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.11.9 – clause addition (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 10.11.10 – clause addition (Reliability and | B1 | PA1 | PB1 | D1 |

| Section of Document Containing Specific PROL Reference | Bruce Reference Number | Pickering A Reference Number | Pickering B Reference Number | Darlington Reference Number |
|---|-------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| Maintenance) | | | | |
| III. 10.14.9 (Security and Access) | B3 | PA3 | PB3 | D3 |
| III. 10.14.10 – clause addition (Security and Access) | B3 | PA3 | PB3 | D3 |
| III. 10.14.11 – clause addition (Security and Access) | B3 | PA3 | PB3 | D3 |
| III. 11 – Clause addition (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 11.2.1 – clause deletion (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 11.3.1 – clause deletion (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 11.4.1 - (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 12.4.1 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 12.5.1 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 12.5.2 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 12.6.1 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. 13.1.1 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 13.2.1 (General) | General, B1, B2, B3 | General, PA1, PA2, | General, PB1, PB2, | General, D1, D2, D3 |

| Section of Document Containing Specific PROL Reference | Bruce Reference Number | Pickering A Reference Number | Pickering B Reference Number | Darlington Reference Number |
|--|-------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| | | PA3 | PB3 | |
| III. 13.2.2 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 13.3.1 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 15.1.7 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III.23 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III.29 (General) | General, B1, B2, B3 | General, PA1, PA2, PA3 | General, PB1, PB2, PB3 | General, D1, D2, D3 |
| III. 29.3 (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. Schedule C (Reliability and Maintenance) | B1 | PA1 | PB1 | D1 |
| III. Schedule F (Reliability and Maintenance, Reporting Protocol & Change Control) | B1, B2 | PA1, PA2 | PB1, PB2 | D1, D2 |

Specific Documentation in Support of PROL Inclusion within Transmission Connection Agreement (Table 2)

The following table provides specific references from documents that have been filed with the Canadian Nuclear Safety Commission (CNSC) in support of OPG's and BP's PROLs. The references are provided on a station specific basis since some of the materials differ between stations. These documents demonstrate that the required changes to the TCA as set out in Addendum "B", are required to satisfy the licencing basis of OPG's and BP's nuclear power stations.

The specific references are provided as attachments.

Site specific references include subsections of the PROL itself and documents that are directly referenced by the PROL and are filed with the CNSC, such as Operating Policies and Principles (OP&Ps). OP&Ps are specified to clearly outline operating boundaries within which the station may be operated safely and efficiently. All proposed changes to OP&Ps must be submitted to the CNSC for prior approval.

Table 2

| Reference Number | Supporting Documentation |
|---|---|
| General Documentation and Miscellaneous Items ¹ | |
| General | <p>Application for PROLs – Ontario Electricity Generation Corporation</p> <ul style="list-style-type: none"> • Letter from R. Osborne (OPG) to J.D. Harvie (CNSC) (Nov. 30, 1998) • <i>Addresses CNSC off-site power concerns as a result of Ontario Hydro restructuring</i> <p>Reliability of Off-Site Power under North American Electric Reliability Council (NERC) Standards</p> <ul style="list-style-type: none"> • Letter from M.Taylor (CNSC) to G.C. Andognini (OPG) (Jan. 6, 1999) • <i>Requests a review of operation under NERC standards</i> <p>Reliability of Off-Site Power under NERC Standards</p> <ul style="list-style-type: none"> • Letter from Gene Preston (OPG) to B.R. Leblanc (CNSC) (Mar. 23, 2000) • <i>Response to AECB request for review of operation</i> <p>AECB Board Memorandum Document (BMD 99-11) dated January 12, 1999</p> <ul style="list-style-type: none"> • In Section 3.2 of this document, reliability of off site power is a stated issue in the licence applications. • <i>Mandatory compliance with NERC standards regarding grid reliability is required.</i> <p>AECB Staff Presentation for BMD-99-11, January 28, 1999</p> <ul style="list-style-type: none"> • AECB Staff Presentation for OPG Licences • <i>Reliability of off-site power is a specific area of interest. Licences were granted on the basis of maintaining reliability above the levels assumed in the safety analyses.</i> <p>Ontario Hydro Presentation at the March 25, 1999 AECB Board Meeting</p> <ul style="list-style-type: none"> • Presentation and speaking notes for R. Osborne (OPG) • <i>Specific mention of off-site power reliability, and the intention to address in business unit contracts or other documents.</i> |

¹ This information is not site specific. Much of the correspondence referenced includes assurances from the former Ontario Hydro to regulatory authorities that future Connection Agreements would address Class IV power reliability

| Bruce NGS | |
|------------------|---|
| B1 | <p>Power Reactor Operating Licence (entire document included for context)</p> <ul style="list-style-type: none"> • Part V, 3.1 • Part V, 3.4 (Bruce A) and 3.5 (Bruce B) • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in program document which includes Section 5 - Conduct of Maintenance, which is substantially the same as OPG controlled document N-MAN-00531.11-10000 R01 <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Bruce NGS OP&P Section 00.3 (Changes to Operating Policies and Procedures) • Bruce NGS OP&P Section 50.1 (Electrical System Maintenance) |
| B2 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.4 • Part V, 4.1 • Part V, 4.2 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in program document which includes Section 18 – Reporting and Record Keeping, which is substantially the same as OPG controlled document N-MAN-00531.11-10000 R01 <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Bruce NGS OP&P Section 01.6 (Modifications) |

| | |
|------------------------|---|
| B3 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in program document which includes Section 9 – Security, which is substantially the same as OPG controlled document N-MAN-00531.11-10000 R01 <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Bruce NGS OP&P Section 10.2 (Site: Security) • Bruce NGS OP&P Section 10.3 (Site: Access Control) |
| Pickering NGS-A | |
| PA1 | <p>Power Reactor Operating Licence (entire document included for context)</p> <ul style="list-style-type: none"> • Part V, 3.1 • Part V, 3.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 5 – Conduct of Maintenance <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Pickering NGS-A OP&P Section 00.3 (Changes to Operating Policies and Procedures) • Pickering NGS-A OP&P Section 50.1 <ul style="list-style-type: none"> • Site Electrical System Abnormal Incidents Manual, 09013-4.9. • Pickering NGS-A OP&P Section 50.4 (Electrical System Maintenance) |
| PA2 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.4 • Part V, 4.2 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 18 – Reporting and Record Keeping |

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| | <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Pickering NGS-A OP&P Section 01.6 (Modifications) |
| PA3 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 9 – Security <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Pickering NGS-A OP&P Section 10.2 (Site: Security) • Pickering NGS-A OP&P Section 10.3 (Site: Access Control) |
| Pickering NGS-B | |
| PB1 | <p>Power Reactor Operating Licence (entire document included for context)</p> <ul style="list-style-type: none"> • Part V, 3.1 • Part V, 3.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 5 – Conduct of Maintenance <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Pickering NGS-B OP&P Section 00.2.2 (Operation and Maintenance Standards) • Pickering NGS-B OP&P Section 50.4 (Class IV Power to be Available) <ul style="list-style-type: none"> • Site Electrical System Abnormal Incidents Manual, 09013-4.9. • Pickering NGS-B OP&P Section 50.5 (Class IV Power Distribution System Testing) |
| PB2 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.4 • Part V, 4.2 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 18 – Reporting and |

| | |
|-----------------------|---|
| | <p>Record Keeping</p> <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Pickering NGS-B OP&P Section 00.1.5 (Modifications) |
| PB3 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 9 – Security <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Pickering NGS-B OP&P Section 10.1 (Site: Exclusion Area) • Pickering NGS-B OP&P Section 10.2 (Site: Station Access Control) |
| Darlington NGS | |
| D1 | <p>Power Reactor Operating Licence (entire document included for context)</p> <ul style="list-style-type: none"> • Part V, 3.1 • Part V, 3.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 5 – Conduct of Maintenance <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Darlington NGS OP&P Section A.11. (Maintenance) |
| D2 | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.4 • Part V, 4.2 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 18 – Reporting and Record Keeping |

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| | <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Darlington NGS OP&P Section A.2. (Compliance with OP&P and PROL) • Darlington NGS OP&P Section A.3. (Changes to OP&P) • Darlington NGS OP&P Section A.13. (Change Approvals) • Darlington NGS OP&P Section B.1.5.7 (Change Control) |
| <p>D3</p> | <p>Power Reactor Operating Licence</p> <ul style="list-style-type: none"> • Part V, 1.5 • Appendix A – Location, Description, Operation, Design and Analyses of the Nuclear Facility <ul style="list-style-type: none"> • Programs referred to in the licence application are contained in controlled document N-MAN-00531.11-10000 R01 which includes Section 9 – Security <p>Operating Policies and Principles</p> <ul style="list-style-type: none"> • Darlington NGS OP&P Section A.14. (Exclusion Area Use) • Darlington NGS OP&P Section A.15. (Security) |

Conclusions

1. Reliability of Class IV electrical power has been a documented concern of the CNSC since the OPG / Hydro One demerger. Maintaining reliability of off site power at levels consistent with Safety Analyses has been instrumental in allaying this concern.
2. Power Reactor Operating Licences, through their specifically mentioned supporting documentation, contain numerous references to reliability and maintenance of switchyard electrical power.
3. Change control of PROL supporting documentation is regulated by the Canadian Nuclear Safety Commission (CNSC) and forms part of the PROL.
4. The need for site security and access control are specifically referenced in the PROL and its supporting documentation.