



Initial Estimate

Project Type: Expansion

Customer: William G Simpson

Required Execution Date of Contract: Feb 25, 2024

SECTION 1: Summary

Hydro One Networks Inc. ("**Hydro One**") has determined that in order to provide you with a new or modified electrical service for your property, a service expansion from Hydro One's existing distribution system is required, as more particularly described in Section 4, below (the "**Expansion**"). The estimated length of the overhead expansion is 445 metres. As a result, Hydro One has completed this Initial Cost Estimate with an expected accuracy of $\pm 50\%$ ("**Initial Estimate**") for your requested supply of power (the "**Service**"), as described below.

Note: This Initial Estimate may not include all costs for your requested Expansion, such as forestry work, easements, permit fees, etc. ("**Estimate Exclusions**"), as further described in Section 5 below. Depending on the Estimate Exclusions that are applicable to your Expansion, the Final Design may exceed the $\pm 50\%$ threshold.

SECTION 2: Contact Information

Distributor:	Hydro One Networks Inc. HST # 870865821 RT001 ECRA/ESA Licence No. 7002572
Hydro One's Field Business Centre Address:	500 Barrydowne Road Sudbury, Ontario P3A 4R8
Hydro One's Field Business Centre Hours of Operation:	Monday to Friday 7:00 a.m. to 4:30 p.m.
Hydro One's Field Business Centre: Phone Number:	1-888-835-9444
Hydro One's Field Business Centre: E-mail Address:	zone6scheduling@hydroone.com
Hydro One's Field Business Centre: Fax Number	1-705-566-6253
Customer ("you"):	William G Simpson
Customer's Billing Address:	Waubauskene, ON L0K 2C0

SECTION 3: Request Details

Service Request Details:	ZNC - 166 CASIMIR RD CASIMIR ON*
Notification #:	303202230
Contract Preparation Date:	Aug 29, 2023
Validity Period:	This Initial Estimate is valid to Feb 25, 2024 (the " Validity Period ")

SECTION 4: Description of Work

Scope of Work:	200A CM Line expansion to 166 Casmir Rd. Easements Req'd. Forestry req'd. 8 poles, 2 anchors. 50kVA TX. Customer owned pole and anchor required.
Hydro One Assumptions:	This Initial Estimate assumes that Hydro One will be able to obtain all required approvals, including but not limited to registered easements, crossing agreements, and permits. Should Hydro One be unable to obtain all required approvals and therefore be unable to proceed with completion of the Customer Service Contract - Final Design & Offer to Connect (the " Final Design "), Hydro One will contact you to discuss a revised design plan.
Work Eligible for Alternative bid:	Some system expansions (all or part) will be eligible for alternative bid work. If an alternative bid option is available, you may elect to have either Hydro One or a qualified contractor of your choice perform the Work to construct the system Expansion. If you elect to retain a contractor to construct the eligible Expansion Work, you will be required to transfer ownership of the system Expansion to Hydro One once the Expansion is built and has been inspected by Hydro One. Hydro One will then be responsible for the operation and maintenance of this system Expansion.
Connection Limitations:	You are bound by, and your connection is subject to, compliance at all times with the connection limitations and requirements outlined below. Violation of any of the connection limitations and requirements can, among other impacts, cause power quality problems for neighbouring customers and so must be avoided. Hydro One has the right to disconnect or control the amount of electricity that any customer can consume, based on Section 2.2 and 2.3.3 of the Conditions of Service.

SECTION 5: Summary of Costs & Amounts Payable

Under the terms and conditions set forth in Appendix B of the Distribution System Code issued by the OEB and available on their website: www.ontarioenergyboard.ca, Hydro One has completed an economic evaluation for the Expansion using a Discounted Cash Flow ("DCF") analysis. The economic evaluation is based on the following considerations:

Revenue Forecasting: Forecasted revenues from additional energy and demand usage associated with the Expansion based on the OEB's approved rate schedules.

Capital Costs: Capital costs related to the Expansion.

Expense Forecasting: Forecasted ongoing operating and maintenance expenditures and income, capital and municipal taxes associated with the Expansion.

At this time, the results of the DCF analysis using the Initial Estimate has determined that your projected average monthly peak load as shown in the following table will support a Hydro One investment towards the cost of the Expansion and connection of the Service.

Estimated Load:

Type of Load	Average Peak Load
Energy Load	1261.4 kWh
Demand or Sub Transmission Load	n/a

The estimated Capital Contribution you need would need to pay towards the Expansion is shown in the following table:

Expansion Work:

Expansion and Service Work	Estimated Cost
Capital Costs & Forecasted Operation and Maintenance Expenses	\$90,450.41
Hydro One's Investment	\$10,356.43
Customer's Capital Contribution	\$80,093.98

Under the Distribution System Code, you may be required to pay a Capital Contribution towards the Expansion. In addition, as of March 18, 2019, electricity distributors must collect an expansion deposit for any expansion where a customer is required to pay a capital contribution (an "**Expansion Deposit**"). Distributors may also elect to collect an Expansion Deposit where no Capital Contribution is required.

After your acceptance of this Initial Estimate, Hydro One will perform a final design and cost estimate and will provide you with a Final Design that will include the Expansion Deposit and Capital Contribution amounts, if any, that you will be required to pay. The Final Design may be on either a fixed price or actual cost basis. Hydro One will not commence any Expansion work until you make payment of the required Capital Contribution and/or Expansion Deposit. Expansion Deposits are refunded or returned to the issuer, as applicable, upon connection of the Service and in accordance with Section 2.1.2.1 of the Conditions of Service.

For Demand Billed General Service and Sub-Transmission Customers, where Hydro One's investment towards the expansion is greater than \$100,000 or where a Capital Contribution is required, an Expansion Deposit of up to the Net Present Value ("**NPV**") of capital costs plus the NPV of distribution line Operations, Maintenance and Administration ("**OM&A**"), less any Capital Contribution associated with the Expansion, is required.

Hydro One considers project-specific and asset risk factors in determining the amount of the Expansion Deposit. Based on the Initial Estimate, the estimated Expansion Deposit that you would need to provide is as described in the table below.

Expansion Deposit:

Expansion Deposit	Estimated Cost
Initial Expansion Deposit Estimate	\$0.00 + HST

Estimate Disclaimer:

This Initial Estimate may have been completed remotely, using virtual tools, and may not account for site specific conditions. This estimate is subject to labour rate and material cost changes that may occur between the date of issuance and the completion of the Final Design.

Estimate Exclusions:

This Initial Estimate may not include full costs for forestry work, easements and surveying costs, permit fees, joint use partner costs, or third-party contractor costs. These costs, as applicable to your Expansion, will be determined by Hydro One while completing our final design and will be incorporated into the Final Design contract as appropriate.

Credit for Advanced Age Assets:

At the time of Final Design, should your Expansion request require that Hydro One replace assets that are either end-of-life or of an advanced age, Hydro One will determine the net book value of the replaced assets plus the advancement cost of the existing infrastructure, in order to determine and, if applicable, provide a credit to reflect the benefit to the distribution system.

Amounts Payable:

Hydro One will be responsible for the design and engineering of this system Expansion, including staking the new line route. In order to proceed with your Expansion, you are required to pay Hydro One the non-refundable Total Staking Cost Payable:

Fees Payable:

Line Staking	Distance	Fixed Cost
EXPANSION: RURAL OVERHEAD CABLE	445.00 metres	\$1,966.90
Crossing Fees		\$0.00
Design Estimates		\$2,929.92
Subtotal		\$4,896.82
HST #870865821RT0001		\$636.59
Total Staking Cost Payable		\$5,533.41

Please Review **Section 6 for full terms & conditions*

Please note that should you make this payment, then decide not to proceed further, Hydro One will review all costs we have incurred on your behalf to that point and apply your payment toward them. Any remaining funds will then be refunded to you.

Examples of the preliminary work which Hydro One may be required to complete before the final staking of the proposed Expansion include but are not limited to: assessing any potential impact of your new service on the local distribution system; determining the location of underground infrastructure; researching property rights and obtaining the required consents, permits and road approvals; assessing potential environmental impacts and related mitigation planning; and work co-ordination with other utilities in the area.

Payment Method: Hydro One accepts Money Order, Cheque, Visa or MasterCard. If making a payment by Credit Card, please contact **1-877-554-7344** and provide the Credit Card Number, reference Work Order 63899306 and Customer ID 120978858 number. **Before sending the signed Contract to Hydro One**, you will need to record the confirmation number provided by Hydro One here:

Visa/Mastercard Payment Confirmation Number: _____.

SECTION 6: Terms

order to provide you with a Customer Service Contract - Final Design & Offer to Connect (the "**Final Design**"), Hydro One must perform certain field design and staking work. The cost of this work is shown in Section 5 as the "Total Staking Cost Payable", and must be paid by the Customer before any further field activities are undertaken by Hydro One. **The Total Staking Cost Payable is in addition to the Capital Contribution and Expansion Deposit costs, and is non-refundable.**

Unforecasted Customer Connection Protection - Should you be required to pay a Capital Contribution towards the cost of the Expansion, Hydro One will monitor the Expansion for five years from the date the Expansion is energized (the "**Customer Connection Horizon** ") for new unforecasted customers who benefit from the Expansion. During the Customer Connection Horizon, if a new unforecasted customer benefits from the Expansion, we will calculate their fair share contribution towards the cost of the Expansion based on relative load/nameplate capacity and relative line length. Hydro One will collect payment from the new unforecasted customer and provide

a rebate (without interest) to you as an initial contributor. No rebates will occur after the Customer Connection Horizon has expired. If you move from the address that will be specified in your Customer Service Contract for New Connections and Service Upgrades ("**Customer Service Contract**") during the Customer Connection Horizon, you will need to notify Hydro One of your change in address in order to be able to receive any potential rebates should you no longer have an account in your name with Hydro One. For Ontario corporations, if you move from the address that will be specified in your Customer Service Contract we will use your registered place of business.

Should you be entitled to have a contractor perform some of the work for the Expansion as will be identified in your Final Design and you elect to do so, we require that you provide detailed information on the amounts spent by you by providing a statement of the total cost of the construction of the Expansion in a form that is acceptable to us before we are able to connect the Expansion to our distribution system. We require this information in order to be able to collect amounts from new unforecasted customers who benefit from the Expansion within the Customer Connection Horizon and provide such amounts to you as rebates.

The timelines for completing the Expansion will vary with project scope and complexity. Once you accept the Final Design, a Hydro One representative will communicate the earliest available start date, based on normal crew complement and deployment, and assuming that Hydro One can meet all required obligations for construction. Hydro One is not responsible for delays or failure to meet these timelines due to factors that are outside of Hydro One's reasonable control (e.g. delays caused by locates, obtaining permits, etc.). If you require an earlier completion date, alternate crew deployment options that may advance the completion date could be considered. Such options would typically involve higher costs

Any signature or acknowledgement required to be provided hereunder may be done so electronically or digitally, and each such electronic signature or acknowledgement will have the same legal effect, validity, and enforceability as a handwritten signature or paper document.

The information provided in this Initial Estimate is intended to assist in project timeline definition and in the interest of avoiding project completion date disputes. Should you have any questions or concerns with the Expansion or the information being presented in this Initial Estimate, please contact Hydro One at the phone number or email address provided in Section 2, **before** signing the Authorization / Acknowledgement for this Initial Estimate.

Authorization / Acknowledgement

By signing the below acknowledgement and providing payment of the non-refundable Total Staking Fees Payable within the Validity Period, Mr. William G Simpson ("**Customer**") hereby authorizes Hydro One Networks Inc. ("**Hydro One**") to proceed with the preparation of the Customer Service Contract - Final Design & Offer to Connect for the Expansion (the "**Final Design**"). If the Customer does not proceed with the Expansion within the Validity Period specified in the Final Design, there shall be no further obligation for Hydro One to proceed with the Expansion.

HYDRO ONE NETWORKS INC.

	Digitally signed by Don Hughes Date: 2023.09.05 15:32:20 -04'00'
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I have authority to bind the corporation.

SIGNED, SEALED AND DELIVERED in the presence of:

_____ (signature)

Witness

Name [please print]:

Date:

_____ (signature)

William G Simpson