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**HYDRO ONE BRAMPTON NETWORKS INC.**

**COST RECOVERY AGREEMENT**

**Date:** \_\_\_\_\_

**Re: Electrical Demand (kW) Load Guarantee to Hydro One Brampton Networks Inc.**

In accordance with the Ontario Energy Board’s Distribution System Code (“the DSC”), sections 3.1, & 3.2 (latest revision), and in accordance with Hydro One Brampton Networks Inc.’s Condition of Service sections 2.1.1, 2.1.2, 2.1.2.2, 2.1.2.3, & 2.1.2.5 (latest revision), the customer named below (“the Customer”) hereby guarantees that the “Guaranteed Electrical Demand” identified on page three of this agreement will be consumed at the municipal address shown on page three, subject to the terms and conditions set out herein.

The guaranteed electrical demand is part of this Cost Recovery Agreement (“this Agreement”) between \_\_\_\_\_ (“the Customer”) and Hydro One Brampton Networks Inc. (hereinafter “HOB”). This Agreement is required as a condition of the provision of electrical supply to the Customer at \_\_\_\_\_ in Brampton, Ontario (“the premises”) pursuant to the DSC.

This guarantee is in effect on the date HOB connects the Customer’s electrical service and is valid for a time period not to exceed five years from the connection date. The termination date shall be \_\_\_\_\_.

The Customer shall provide an irrevocable letter of credit to HOB in the amount of \$\_\_\_\_\_. The letter of credit will remain in effect for the five-year guarantee time period. The letter of credit represents HOB’s anticipated recoverable costs for the project and is calculated by HOB using an Economic Analysis as required by the Ontario Energy Board, provided however that HOB may draw funds from and pursuant to the letter of credit only if the averaged demand from HOB at the premises over a 12-month period is less than specified in clause C, Guaranteed Electrical Demand, on page three of this Agreement, such funds to be the value of the shortfall in electrical demand by the Customer at the premises, calculated as per Appendix B of the DSC, provided that:

- (a) such draw is made no earlier than the end of a 12-month period;
- (b) such calculation is done on an annual basis; and if in the 12-month period the total demand for the 12-month period equals or exceeds twelve times the monthly threshold, HOB shall be prohibited from drawing down funds for those months within the 12-month period in question where the demand was below the calculated monthly threshold;
- (c) the amount of the letter of credit shall never exceed the estimated shortfall as calculated in the Economic Analysis and may be reduced by HOB from time to time, whereupon the Customer shall be advised thereof in writing; and
- (d) HOB shall not extend the letter of credit beyond \_\_\_\_\_.

The Customer acknowledges and agrees, as per HOB’s Condition of Service, that after the electrical service is connected, HOB will review actual construction costs incurred and may revise its Utility Portion evaluation accordingly, thereby requiring that the letter of credit be increased or decreased, to which increase or decrease the Customer shall agree upon being provided with notice thereof and shall execute the required documents in support of such increase or decrease.

In the event that the Customer meets its Load Guarantee, HOB shall return the letter of credit. In the event that the Customer does not meet its load guarantee, HOB shall recalculate the Economic Analysis with average monthly measured kilowatt demands recorded by HOB and draw on the letter of credit to recover the shortfall.

The Customer provides the following details to assist HOB in designing the electrical service required for connection of the premises to HOB's distribution system:

The Customer hereby provides the attached Financial Agreement (for Letter of Credit) to the Customer's bank for completion and execution, prior to which completion, execution and delivery of letter of credit HOB shall not be required to provide electrical service.

**Customer:** \_\_\_\_\_

**Name of Signatory:** \_\_\_\_\_        (print)

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

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

**Letter of Credit To Be Provided By:**

**Name of Bank:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_



**HYDRO ONE BRAMPTON NETWORKS INC.**  
**COMMERCIAL & INDUSTRIAL CUSTOMER DATA**

**A. GENERAL:**

Address of Property: \_\_\_\_\_  
Legal Name of Company Developing Property: \_\_\_\_\_  
Address of Company Developing Property: \_\_\_\_\_  
Building to be Occupied By: \_\_\_\_\_  
Building Area: \_\_\_\_\_

**B. ELECTRICAL SERVICE REQUIREMENTS:**

Service Voltage: \_\_\_\_\_  
Service Size (Amps): \_\_\_\_\_

**C. GUARANTEED ELECTRICAL DEMAND (kW):**

5 Year Load Guarantee (kW): Year 1 \_\_\_\_\_  
(monthly measured kW) Year 2 \_\_\_\_\_  
Year 3 \_\_\_\_\_  
Year 4 \_\_\_\_\_  
Year 5 \_\_\_\_\_

**D. LOAD CHARACTERISTICS:**

Largest Motor (hp): \_\_\_\_\_  
Welders (Number, Size & Type): \_\_\_\_\_  
Lighting Load (kW): \_\_\_\_\_  
Electrical Heating (kW): \_\_\_\_\_  
Air Conditioning (kW): \_\_\_\_\_  
Computer: \_\_\_\_\_  
Miscellaneous: \_\_\_\_\_  
Total Connected Load (kW): \_\_\_\_\_  
Initial Demand Load (kW): \_\_\_\_\_

**E. PROJECT CONTACTS:**

Owner / Representative: \_\_\_\_\_ Phone: \_\_\_\_\_  
Electrical / Mechanical Consultant: \_\_\_\_\_ Phone: \_\_\_\_\_  
General Contractor: \_\_\_\_\_ Phone: \_\_\_\_\_  
Architect: \_\_\_\_\_ Phone: \_\_\_\_\_  
Electrical Contractor: \_\_\_\_\_ Phone: \_\_\_\_\_

**F. CONSTRUCTION SCHEDULE:**

Start of Construction: \_\_\_\_\_  
Temporary Service Required By: \_\_\_\_\_  
Permanent Service Required By: \_\_\_\_\_



SAMPLE

AGREEMENT BETWEEN

HYDRO ONE BRAMPTON NETWORKS INC.

and

\_\_\_\_\_

TO: HYDRO ONE BRAMPTON NETWORKS INC.

WE HEREBY AUTHORIZE YOU TO DRAW ON THE (NAME OF CANADIAN CHARTERED BANK OR TRUST COMPANY AND ADDRESS) FOR THE ACCOUNT OF (NAME OF CUSTOMER) UP TO AN AGGREGATE AMOUNT OF \$\_\_\_\_\_AVAILABLE ON DEMAND AS FOLLOWS:

Pursuant to the request of our customer, the said (NAME OF CUSTOMER) we (NAME OF BANK) hereby establish and give to you an Irrevocable Letter of Credit in your favour in the total amount of \$ \_\_\_\_\_ which may be drawn on by you upon written demand for payment made upon us by you which demand we shall honour without inquiring whether you have a right as between yourself and our said Customer to make such demand, and without recognizing any claim of our said Customer.

Provided, however, that you are to deliver to us at such time as a written demand for payment is made upon us a certificate signed by you and stating that \_\_\_\_\_ has failed to fulfill its contractual obligations in connection with the guaranteed electrical demand agreement dated \_\_\_\_\_ between HYDRO ONE BRAMPTON NETWORKS INC. and \_\_\_\_\_ for \_\_\_\_\_ Brampton, Ontario.

The amount of this credit shall be reduced from time to time as advised by notice in writing given to us from time to time by you.

This credit will continue up to the 30th Day of June XXXX, unless we give to you notice in writing by registered mail or courier of our intention to cancel the credit, such cancellation to be effective thirty (30) days after the date of our notice of cancellation.

Partial drawings are permitted.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended for one year from the present or any future expiration date hereof until the end of the five-year guarantee period, unless thirty days prior to any such date we shall notify you in writing that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw hereunder by means of your demand accompanied by your written certification that the amounts drawn will be retained and used to meet obligations incurred or to be incurred in connection with the above-mentioned Agreement.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_