

November 28, 2012



Mr. Ted Lyberogiannis
Sustainment Manager - Transmission Stations Planning
Hydro One Networks Inc.
483 Bay Street
Toronto, Ontario
M5G 2P5

Dear Mr. Lyberogiannis:

***Hydro One like-for-like LV shunt capacitor replacements
Notification of Conditional Approval of Connection Proposal
CAA ID Number: 2012-EX638***

Thank you for the information concerning Hydro One's sustainment programs for low voltage (LV) shunt capacitors. The IESO has concluded that the proposed changes will not result in a material adverse impact on the reliability of the integrated power system. The IESO is therefore pleased to grant **conditional** approval as detailed in the attached expedited System Impact Assessment report. Please note that any material changes to your proposal may require a re-assessment by the IESO and may nullify your conditional approval.

You may now initiate the IESO's **Facility Registration/Market Entry** process. To do so, please contact Registration & Compliance Support at market.entry@ieso.ca as soon as possible prior to each of the energization dates. The SIA report, attached hereto, details the requirements that your company must fulfill during this process, including demonstrating that the equipment *as installed* will not be materially different from equipment *as approved* by the IESO. The document entitled [Market Entry: A Step-by-Step Guide](#) describes the key steps in the Market Entry process.

When your company has successfully completed the IESO's **Facility Registration/Market Entry** process, the IESO will provide you with a **final approval**, thereby confirming that the facility is fully authorized to connect to the IESO-controlled grid.

For further information, please contact me via connection.assessments@ieso.ca.

Yours truly,

Michael Falvo
Manager – Market Facilitation
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cc: IESO Records

**Final Report - Expedited System Impact Assessment
Hydro One Networks Inc.**

1.0 GENERAL DESCRIPTION

Hydro One has an ongoing sustainment program to replace low voltage (LV) shunt capacitors that have reached the end of their useful life with like-for-like replacements.

Outages to perform these replacements are communicated to the IESO via the normal outage management process.

1.1 Replacement LV shunt capacitors

For the purpose of this expedited System Impact Assessment (ESIA), a replacement LV shunt capacitor is any new like-for-like LV shunt capacitor that will be put into service to replace an existing LV shunt capacitor. The term like-for-like means the specifications of the replacement equipment will not differ by more than 5% from those of the original equipment.

1.2 LV shunt capacitors not covered by this assessment

This ESIA does not cover any new LV shunt capacitor that will be put into service where no LV shunt capacitor existed previously.

Installations such as those identified above and other installations not identified here will be assessed under separate SIAs.

2.0 REQUIREMENTS

The proponent must notify the IESO as soon as it becomes aware of any changes to the assumptions made in the connection assessment. The IESO will determine whether these changes require a re-assessment.

The proponent must inform the IESO as early as possible of instances where the replacement equipment does not meet the like-for-like definition, e.g. the specification of the replacement equipment differing by more than 5% than those of the original.

In accordance with the telemetry requirements for transmitters (see Appendices 4.16, 4.20 and 4.21 of the Market Rules) the connection applicant must install equipment at this project with specific performance standards to provide telemetry data to the IESO. The data is to consist of certain equipment status and operating quantities which will be identified during the IESO Market Entry Process. At a minimum, the status of the LV shunt capacitor switching equipment shall be provided to the IESO.

The proponent must complete the IESO Market Entry/Facility Registration process for all replacement LV shunt capacitors. During this process, Hydro One must provide the required ratings for the replacement LV shunt capacitors prior to receiving final approval from the IESO.

3.0 ASSESSMENT & CONCLUSIONS

It can be concluded that these replacement LV shunt capacitors will have no material adverse impact on the integrated power system subject to the requirements in section 2.

The IESO and Hydro One Networks will review this blanket approval annually beginning in December 2013.