

September 27, 2007

Mr. Phil Reader
General Manager - Mississagi Operations
Brookfield Power Corporation
RR#3 Hwy 129
Thessalon, ON
P0R 1L0

Dear Mr. Reader,

*T27 & T28 Transformer Replacements at Wells GS
Notification of Conditional Approval of Connection Proposal
CAA ID Number: 2007-EX352*

Thank you for the detailed information regarding the replacement of the three phase transformers T27 & T28 at Wells GS with new three phase transformers.

Since the ratings of the replacement units are the same or higher than the original transformers, we have concluded that the proposed change will not result in a material adverse effect on the reliability of the IESO-controlled grid.

The IESO is therefore pleased to grant **conditional approval** for the modification detailed in the attached assessment report subject to your signed acknowledgment below. Any material changes to your proposal may require re-assessment by the IESO in accordance with Market Manual 2.10, and may nullify your conditional approval.

Final approval to connect the facility to the IESO-controlled grid will be granted upon successful completion of the IESO Facility Registration process including, without limitation, satisfactory completion of the requirements set out in the System Impact Assessment report. During this process you shall demonstrate the requirements have been fulfilled and the equipment installed has characteristics no worse than those in the proposal assessed by the IESO. Please contact market.entry@ieso.ca if you have not received a Facility Registration Summary package within the next 10 days.

For further information, please contact the undersigned.

Yours truly

Michael Falvo
Manager - Transmission Assessments & Performance
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E-mail: mike.falvo@ieso.ca
cc: IESO Records

Brookfield Power Corporation acknowledges receipt of the System Impact Assessment Report setting out the IESO requirements for final approval, and commits to fulfill these requirements, and all other applicable Market Rules, before receiving final approval to connect to the IESO-controlled grid.

Dated: _____

Per: _____

Name: _____

Title: _____

ASSESSMENT SUMMARY**Brookfield Power Corporation****1.0 GENERAL DESCRIPTION**

Transformers T27 and T28 at Wells GS are scheduled to be replaced due to end-of-life. The transformers are connected to 230 kV circuits T27P and T28P as shown in figure 1.

The scheduled in-service dates for the replacement transformers are November 12, 2007 for T27 and April 25, 2008 for T28.

2.0 PROPOSED MODIFICATION

A comparison of the technical specifications between the existing and replacement transformers is given below.

Wells GS	Original T27	Original T28	Replacement T27	Replacement T28
Configuration	three phase	three phase	three phase	three phase
Transformation (kV)	250 / 13.6	250 / 13.6	250 / 13.6	250 / 13.6
Winding Configuration	wye / delta	wye / delta	wye / delta	wye / delta
Thermal Rating	63 ONAN 105 ONAF	63 ONAN 105 ONAF	120 ONAN	120 ONAN
15 Minute Thermal Rating (summer 30°C)	120 MVA	120 MVA	140 MVA	Values for T28 to be provided to IESO 2 months prior to removing the existing T28 from service.
10 Day Thermal Rating (summer 30°C)	120 MVA	120 MVA	140 MVA	
Positive Sequence Impedance (H-X)	R = 0.4% X = 14.11% on 105 MVA base	R = 0.41% X = 14.13% on 105 MVA base	R = 0.26% X = 15.66% on 120 MVA base	
Impedance to Ground	Solidly grounded - HV Ungrounded - LV	Solidly grounded - HV Ungrounded - LV	Solidly grounded - HV Ungrounded - LV	Solidly grounded - HV Ungrounded - LV
Under-load tap-changer (ULTC)	Not available	Not available	Not available	Not available
Off-load tap-changer	Tap 1 255 kV Tap 2 250 kV Tap 3 245 kV Tap 4 240 kV Tap 5 235 kV	Tap 1 255 kV Tap 2 250 kV Tap 3 245 kV Tap 4 240 kV Tap 5 235 kV	Tap 1 255 kV Tap 2 250 kV Tap 3 245 kV Tap 4 240 kV Tap 5 235 kV	Tap 1 255 kV Tap 2 250 kV Tap 3 245 kV Tap 4 240 kV Tap 5 235 kV
In service off-load tap position	Tap 2	Tap 2	Tap 2	Tap 2
Manufacturer	CGE	CGE	Pauwels Canada Inc.	Pauwels Canada Inc.
Serial #	287113	287117	97063797	97074045

3.0 ASSESSMENT

The peak generation in 2007 at Wells GS was 238.1 MVA on August 22. The output of the two generators at Wells GS is limited to 240.7 MVA by water conditions. Both new transformers will be rated at 120 MVA ONAN and therefore they are sufficiently rated for the total output of the generators.

The information provided by Brookfield Power Corporation shows that the technical characteristics of the replacement transformer T27 is better than that of the end-of-life transformers. The new units will have the same configuration and transformation and identical off-load tap-changer arrangements. Thermal ratings for the replacement transformers will be higher than the existing units. The positive sequence impedance for T28 is not yet known but Brookfield Power Corporation has indicated that it should closely match the new T27.

4.0 CONCLUSIONS

It can be concluded that the replacement transformers will not result in a material adverse effect on the reliability of the IESO-controlled grid because:

- The impedance of the replacement transformer T27 will be similar to the old transformers.
- Brookfield Power Corporation has indicated that the impedance of the replacement transformer T28 will also be similar to the new T27.
- The replacement transformers will be equipped with OLTCs that are identical to the old transformers' OLTCs.

5.0 REQUIREMENTS

The new transformers must be able to operate continuously at a system voltage of 260 kV, as required by the Market Rules.

Brookfield Power Corporation must submit the positive sequence impedance for T28 at least two months prior to removing the existing T28 from service. Please submit this information to market.entry@ieso.ca.

Brookfield Power Corporation 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.

Brookfield Power Corporation is required to meet the transmitter's requirements with respect to protection systems for the new transformers and coordination with the existing protection systems, as outlined in the Transmission System Code.

The Market rules (Chapter 4 section 7.4) require that each transmitter shall provide the IESO on a continual basis with on-line monitored quantities as specified in Appendix 4.16. For this proposed project, the IESO will require the operating quantities associated with the new transformers.

6.0 NOTIFICATION OF CONDITIONAL APPROVAL

This expedited System Impact Assessment concludes that the installation of replacement transformers for the existing transformers T27 and T28 is not expected to have a material adverse effect on the IESO-controlled grid. It is therefore recommended that a Notification of Conditional Approval of the Connection Proposal be issued, subject to the requirements detailed above.

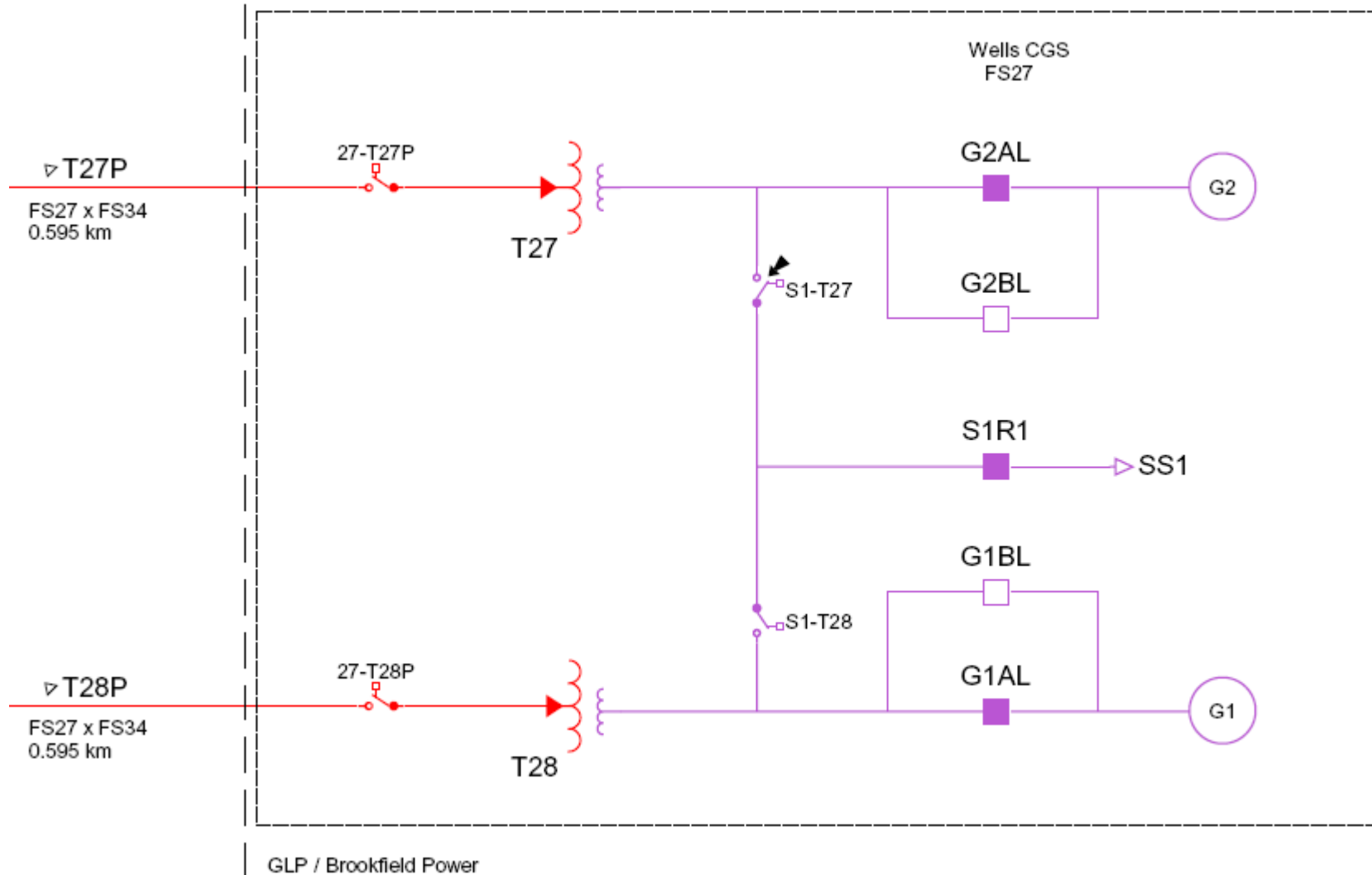


Figure 1 Wells GS