

October 9, 2008

Mr. Xiaodong Sun
Senior Engineer
Electrical, P&C and Compliance, Hydro Engineering
Ontario Power Generation

Dear Mr. Sun

***Protection Changes for C27P at Arnprior GS
Notification of Conditional Approval of Connection Proposal
CAA ID Number: 2008-EX407***

Thank you for the detailed information regarding protection changes on the C27P line at Arnprior GS. C27P is a 230 kV three terminal line. OPG is replacing existing electromechanical relays with a D60 relay for A-group protection and a SEL-421 relay for B-group protection.

In addition, Hydro One Networks Inc. is upgrading the Power Line Carrier (PLC) equipment on C27P. The PLC provides the communication channels for transfer trip protections from Arnprior GS. Following this upgrade, the transfer trip from Arnprior GS will be sent to Chats Falls SS and then cascaded to Dobbin TS. The transfer trip signal will not be sent if the transformer disconnect switch is open. The existing transfer trip scheme sent trip signals to Chats Falls and Dobbin TS separately.

OPG has confirmed that the protection changes will not impact the capability curves of the generators at Arnprior GS. The IESO has 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 above subject to your signed acknowledgment below. Final settings must be provided to the IESO through the Market Entry process. 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. During this process you shall demonstrate that 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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cc: IESO Records

Ontario Power Generation 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: _____