

June 1, 2009

Richard Mullaly, P. Eng.
Power Department
Vale Inco Limited
18 Rink Street
Copper Cliff, ON
P0M 1N0

Dear Mr. Mullaly

***New Tie Disconnect Switch at Inco #4 CTS
Notification of Final Approval of Connection Proposal
CAA ID# 2009-EX435***

Thank you for the detailed information regarding the new tie disconnect switch at Inco #4 CTS.

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 Market Entry 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

Barbara Constantinescu
Manager – Market Facilitation
Telephone: (905) 855-6406
Fax: (905) 855-6372
E-mail: barbara.constantinescu@ieso.ca
cc: IESO Records

New Tie Disconnect Switch at Inco #4 CTS
CAA ID# 2009-EX435

Vale Inco Ltd. 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
Vale Inco Ltd.

1.0 GENERAL DESCRIPTION & PROPOSED MODIFICATIONS

Vale Inco Ltd is planning to replace the existing 230 kV tie disconnect switch at Inco #4 CTS. The expected in-service date is June 2009.

Inco #4 CTS is fed from the 230 kV circuits X23N and S21N. The tie disconnect switch 230CC4D60-TD is approaching its end of life and will be replaced with a new disconnect switch. The configuration of Inco #4 CTS is shown in figure 1 below.

2.0 TECHNICAL SPECIFICATIONS

The technical specifications of the new disconnect switch is given in Table 1 below.

Inco #4 CTS Tie Disconnect Switch Specifications	
230CC4D60-TD	
Configuration	3 phase
Rated Voltage	245 kV
Maximum Continuous Rated Voltage	285 kV
Load Interrupting Current	2000 A
Short Circuit Symmetrical Duty Rating	63 kA

Table 1 – Specifications of New Tie Disconnect Switch at Inco #4 CTS

3.0 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.

Appendix 4.1, reference 2 of the Market Rules states that equipment on the 230 kV grid may be exposed to voltages as high as 250 kV. In addition, some recognized contingencies (e.g. load shedding, open line end) can cause a temporary voltage increase above the maximum continuous voltage. For these conditions, connection equipment may be exposed to voltages 5% above the maximum continuous voltage for the period of time that it takes the IESO to direct operations to restore a normal voltage profile and to prepare for the next contingency. This re-preparation period will be as short as possible but it should not take longer than 30 minutes. Therefore, the IESO requires that 230 kV connection equipment in Ontario:

- must have a maximum continuous voltage rating of at least 250 kV; and
- must be able to sustain operation at voltages up to 262.5 kV for up to 30 minutes.

The Transmission System Code (TSC), Appendix 2 establishes maximum fault levels for the transmission system. For the 230 kV voltage level, maximum 3 phase symmetrical fault level is 63 kA and single line to ground (SLG) symmetrical fault level is 80 kA (usually limited to 63 kA). The Transmission System Code (TSC) requires that new equipment be designed to sustain the fault levels in the area where the equipment is installed.

Provided that the TSC requirements are satisfied, the IESO does not have additional requirements.

4.0 ASSESSMENT & CONCLUSIONS

The new disconnect switch will meet the short circuit requirements and the maximum voltage requirements stated in section 3.

This expedited System Impact Assessment concludes that the installation of the new disconnect switch at Inco #4 CTS is not expected to have a material adverse impact on the IESO-controlled grid.

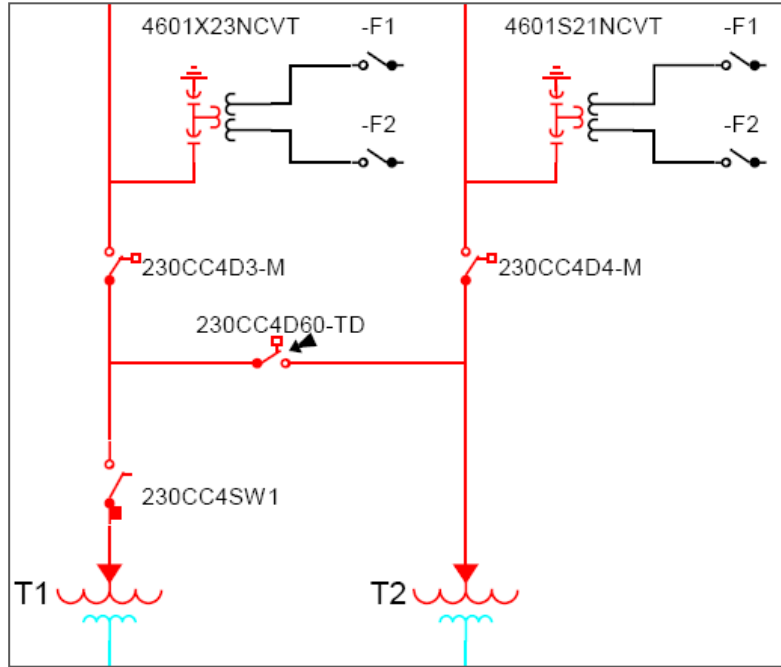


Figure 1 - Inco #4 CTS Configuration