

FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between [____], a _____ organized and existing under the laws of the State/Province of [____], ("Eligible Customer,") and the **NEWFOUNDLAND AND LABRADOR SYSTEM OPERATOR**, ("NLSO"). For the purposes of this Agreement, Eligible Customer and NLSO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Eligible Customer is [proposing to develop or materially modify a generating facility to be interconnected with the NL Transmission System or NL Sub-Transmission System/requesting the provision of transmission service over the NL Transmission System or NL Sub-Transmission System] consistent with the Completed Application submitted by the Eligible Customer dated _____; and

WHEREAS, the Eligible Customer desires to ensure that [the new Generating Facility or modified existing Generating Facility is capable of being reliably interconnected with the NL Transmission System or NL Sub-Transmission System/the transmission service being requested over the NL Transmission System or NL Sub-Transmission System can be reliably provided];

WHEREAS, the NLSO has completed a System Impact Study (the "System Impact Study") and provided the results of said study to the Eligible Customer; and

WHEREAS, the Eligible Customer has requested that the NLSO perform a Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the System Impact Study in accordance with Good Utility Practice to physically and electrically [connect the Generating Facility to the NL Transmission System or NL Sub-Transmission System/provide Transmission Service over the NL Transmission System or NL Sub-Transmission System].

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have meanings indicated in Section 2.0 of the [NL Transmission Policies and Procedures/Generator Interconnection Procedures].
- 2.0 The Eligible Customer elects and the NLSO shall cause to be performed a Facilities Study consistent with [Section 7.0 of the NL Transmission Policies and Procedures/Section 13.0 of the Generator Interconnection Procedures].
- 3.0 The scope and assumptions for the Facilities Study shall be set forth in Attachment A to this Agreement.
- 4.0 The Facilities Study shall be based upon the results of the System Impact Study. The NLSO reserves the right to request additional technical information from the Eligible Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Facilities Study.
- 5.0 The Facilities Study report shall provide the study deliverables set forth in Attachment B to this Agreement.
- 6.0 The NLSO agrees to complete the Facilities Study within _____ days and in accordance with Good Utility Practice. In the event that the NLSO is unable to complete the Facilities Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies.
- 7.0 The Eligible Customer may at any time withdraw its request for the completion of the Facilities Study, and in such event shall be liable to the NLSO for all costs and expenses incurred by or on behalf of the NLSO up to the date of receipt of the Eligible Customer's withdrawal notification.
- 8.0 The Eligible Customer agrees to pay all costs and expenses incurred, directly or indirectly, by or on behalf of the NLSO in conducting the Facilities Study. NLSO's good faith estimate of the total cost to the Eligible Customer is _____ [Dollars Cdn.] plus all applicable taxes.
- 9.0 Payment of costs and expenses referred to in Article 8.0 above shall include an initial payment of [XX% of the NLSO's good faith estimate Dollars Cdn.], payable prior to the commencement of the Facilities Study. Subject to Articles 10.0 and 11.0 herein, payment of remaining amounts owing will be due upon completion of the Facilities Study.
- 10.0 The NLSO's Facilities Study charges shall be based on the NLSO's actual costs and expenses incurred and will be invoiced to the Eligible Customer within [XX] days after completion and delivery of the Facilities Study.
- 11.0 The Eligible Customer shall pay all invoiced Facilities Study charges that exceed the initial payment made pursuant to Article 9.0 without interest within thirty (30) calendar days of receipt of the invoice or resolution of any dispute. If the initial payment exceeds the invoiced fees, the NLSO shall refund such excess within thirty (30) calendar days of the invoice without interest.

12.0 Under no circumstances shall the NLSO be liable to the Eligible Customer for any loss, damage, claim, cost, charge or expense, whether direct, indirect, incidental, punitive, special or consequential arising from the NLSO's performance or non-performance of its obligations under this Agreement, except in the case of gross negligence or willful misconduct on the part of the NLSO, in which case the NLSO's liability to the Eligible Customer shall be limited to the amount paid by the Eligible Customer to the NLSO pursuant to Article 9.0 herein.

13.0 Miscellaneous. This Facilities Study Agreement shall incorporate by reference the following Sections of the [Generator Interconnection Agreement/Transmission Service Agreement: XX,XX,XX,XX,XX,XX and XX] *{include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party}*.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Eligible Customer]

Signed: _____
Name (Printed): _____
Title: _____
Date: _____

Newfoundland and Labrador System Operator

Signed: _____
Name (Printed): _____
Title: _____
Date: _____

**Attachment A
to Facilities Study Agreement**

Scope and Assumptions used in Conducting the Facilities Study

The Facilities Study shall have the following scope and assumptions:

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[Scope and assumptions to be completed by the NLSO, with input from the Eligible Customer].

**Attachment B to
Facilities Study Agreement**

FACILITIES STUDY DELIVERABLES

The Facilities Study report will provide a description and good faith estimate of the cost and schedule for the work described in the scope (consistent with Attachment A) including:

- engineering and design;
- line routing options;
- line right-of-way property or easement acquisition;
- labour;
- material procurement;
- project overhead;
- financial charges; and
- any other items identified during the study.