

July 9, 2025

Bruce C Nuclear Project
Impact Assessment Agency of Canada
160 Elgin Street, 22nd Floor
Ottawa, Ontario K1A 0H3

RE: Municipality of Kincardine comments on the draft Integrated Tailored Impact Statement Guidelines and input on the Summary of Potential Federal Incidental Activities

To Whom it May Concern:

Please accept this submission as initial comments from the Municipality of Kincardine on the [draft Integrated Tailored Impact Statement Guidelines](#) (herein referred to as the draft Integrated Guidelines) for the Bruce C Nuclear Project and input on the [Summary of Potential Federal Incidental Activities](#). Please note that with the limited time available for public review, these comments are not comprehensive and there may be items in the future that the host community may wish to bring forward to the proponent for consideration in the Impact Statement. These initial comments were endorsed by the Council for the Corporation of the Municipality of Kincardine at the July 9, 2025, meeting.

The Municipality of Kincardine is the host community to the Bruce Nuclear Generating Station (the Site), which consists of the Bruce Power operated reactors, the Ontario Power Generation (OPG) Western Waste Management Facility and the Douglas Point Nuclear Generating Station. The Municipality, including the former Township of Bruce which is the location of the Site, has hosted the nuclear industry for almost 60 years.

The Municipality anticipates that the process under the *Impact Assessment Act* will see Bruce Power as the proponent for the Bruce C Project, identify the potential for any environmental, health and socio-economic impacts associated with the project, including identifying both positive and negative impacts, their effects and how those will be enhanced or mitigated. The draft Integrated Guideline helps to outline to Bruce Power what items need to be included in the Impact Statement.

Community knowledge holder

The Mayor and Council for the municipality are elected every 4 years by the residents in our community, and as such, the Municipality is a local government that represents the local public and should be viewed as key *community knowledge holders* in the Impact Assessment process. Furthermore, with our long- standing history as a nuclear host community, the municipality has a

The Municipality of Kincardine

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significant number of records and knowledge of the industry and the impact it has had, and currently has, on our community. As such, we request that the proponent, IAAC and the integrated review panel consider our local government submissions as community knowledge holders throughout the IA process, specifically around areas of social, health, economic, environmental, municipal finances and emergency management.

Limited capacity available to support host communities' participation in the Impact Assessment process

As the host municipality of the Bruce Nuclear Generating Station and community knowledge holders, the Municipality has a strong interest in the continued involvement and success of the Bruce C Nuclear Project. Many of the items identified as part of the social, economic and health impacts, as well as emergency planning and response, are responsibilities that fall under municipal services and infrastructure.

The Municipality of Kincardine applied for funding through the Impact Assessment Agency of Canada (IAAC) to support our participation in the project but unfortunately, this funding request was denied, as it was indicated that municipalities are not eligible for funding programs as a government organization. The Municipality of Kincardine's focus is on providing local services and doesn't have adequate capacity and resources to meaningfully participate in the Impact Statement phase of the Impact Assessment process for the Bruce C project. With our community knowledge and decades of experience as a nuclear host community, it makes it extremely challenging to participate meaningfully in the process.

The Municipality would like to recognize and thank Bruce Power for providing funding to support a nuclear project coordinator position within the municipality for a two-year period, as this has provided capacity for staff to review the draft documents, meet weekly with the Bruce C team and consider potential projects impacts that may affect municipal services and infrastructure. As we look ahead to the Impact Statement phase of reviewing baseline/existing conditions reports and assessing impacts/effects of the project, we strongly feel that consultants with expertise will be required to fully analyze the potential impacts of the project on the host municipality's services and infrastructure.

The Municipality submitted a subsequent funding request to Bruce Power to support consultant peer reviews of studies and effects assessments that may have impacts on municipal infrastructure and services but have not received additional funding to date. It is worth noting that the Province provided the Municipality of Port Hope with \$1million in early capacity funding to support growth readiness and the communities' participation in the federal IA process for the proposed OPG Wesleyville new nuclear site, which has not yet formally entered into the IA process. To be equitable, the Municipality of Kincardine would request that similar funding be provided to all host municipalities that are exploring new nuclear energy projects.

Historical Impacts of the Bruce Nuclear Site

As we had noted in our submission on the Initial Project Description for the Bruce C project, our community's economy and growth has been directly impacted by major infrastructure decision at the Bruce Nuclear Site (formerly Ontario Hydro) for over half a century. As a small community with one major industry and employer, it is important for the Municipality to prepare for major infrastructure investments at the Site and also plan long term for the economic cycles that occur.

Former Host Agreements

Over the past half a century, the community has experienced and received various levels of support from the federal and provincial government, as well as the industry, and have had various host agreements with industry to deal with a broad range of issues that directly impact the local host community. A copy of two of these former host agreements are attached for the Impact Assessment Agency of Canada (IAAC) and the Canadian Nuclear Safety Commission (CNSC) awareness:

- Township of Bruce and Ontario Hydro Host Agreement
- Municipality of Kincardine and Ontario Power Generation Host Community Agreement

Currently, the Municipality of Kincardine does not have a host agreement for the ongoing operations of the Bruce Nuclear Generating Station, and the OPG Western Waste Management Facility or the Douglas Point Nuclear Generating Station. These former host agreements outlined requirements and responsibilities for many of the issues that the municipality continues to experience today. We are hopeful over the coming year(s) that we can work with industry partners to establish new agreements.

Federally owned lands

Upon further review of the [Initial Project Description for the Bruce C Nuclear Project](#) and the list of federally owned lands included in Table 4, the Municipality of Kincardine questions whether the Douglas Point Generating Station lands should be included in the list of federal lands in proximity to the proposed project. To our knowledge, the Douglas Point Generating Station is located on a separate property that is owned by Atomic Energy of Canada Ltd (AECL) which is a federal crown corporation.

Details for Proponent Information (Section 2) and Project Description (Section 3)

Due to the complex nature of the existing Bruce Nuclear Generating site having various owners and operators like AECL, CNL, OPG and Bruce Power, and Bruce Power being a lessee of a portion of the site, the municipality recommends the draft Integrated Guidelines be expanded to include requirements that the Impact Statement describe in more detail the existing ownership and operational arrangements with the various owners/operators of the overall site. The

Municipality appreciates that Section 2.1 of the draft Integrated Guidelines includes “evidence that the proponent is the owner of the site or has the authority from the owner of the site to carry on the activity to be licensed” but feels this alone will not provide a full context of the existing site and existing conditions, which are important to the overall assessment of a new nuclear project.

We suggest that Section 2 or 3 of the Integrated Guidelines be expanded to include information on the existing conditions and arrangements currently in place for the entire site, including the various owners and operators for each area of the site and a map outlining the various boundaries of ownership and lease arrangements. This information would provide some additional context for IAAC, CNSC, Indigenous Nations and communities and the public about the various activities happening on the overall site which can be considered as part of the Impact Assessment.

Jurisdictional Boundaries

Further to the information provided above and the complex nature of the existing site, the Municipality would like further clarification on the jurisdictional boundaries and responsibilities on the existing site. CNSC [REGDOC 2.3.1 Conduct of Licensed Activities: Construction and Commissioning Programs](#) indicates that under section 3.1 the Role of the Licensee is to “identifying jurisdictional boundaries and responsibilities where there is more than one regulatory body governing a particular area”. It is also important to ensure that these areas and jurisdictional boundaries are clearly identified now as they will also help inform the future Impact Statement.

Regulatory framework and the role of government (Section 3.3)

The Municipality of Kincardine looks forward to future discussions with Bruce Power to determine if any legislative or regulatory requirements such as permits and authorizations are applicable from the municipality as part of this proposed project.

As part of Section 3.3, it is recommended that wording be incorporated from [CNSC REGDOC 1.1.1 Site Evaluation and Site Preparation for New Reactor Facilities](#). Specifically, Section 4.14.3 provides Guidance on Intergovernmental consultation and states that “The applicant should provide a summary of the results of consultation with all levels of government, to indicate their intended involvement and support for the project” and “The summary should provide an overview of any outstanding issues resulting from consultations that must be resolved before the project can proceed.”

Incidental Activities and input on the Summary of Potential Federal Incidental Activities (Section 3.4.2)

The Municipality has reviewed Section 3.4.2 and the [Summary of Potential Federal Incidental Activities](#) for the Bruce C Nuclear Project dated June 16, 2025. The Municipality has a very high level of interest in the items identified as both 'incidental' and 'not incidental' for the project and requests that the municipality be engaged on these topics as the project advances.

The Municipality has former Agreements and Memorandum of Understandings with the nuclear industry on items that are of direct impact and high importance, including the storage of nuclear waste. In addition, the [NRCAN Canada Policy for Radioactive Waste Management and Decommissioning](#), includes requirements of the federal government and waste generators to undertake early and ongoing input with current host communities. Further, the Municipality has been advocating to the industry and government for decades over the interim storage of nuclear waste in our community.

The Municipality would welcome further discussions with Bruce Power and IAAC/CNSC on whether the permanent storage of low-level nuclear waste should be incidental to the project, as to our knowledge, there is no long-term solution currently in place for low level waste created at the Bruce site. It is also our understanding that the Nuclear Waste Management Organization (NWMO) is only responsible for high level and Intermediate level waste, not low-level nuclear waste.

We also question how IAAC and CNSC determined that the transportation of nuclear materials is not incidental to the Project, except for the transportation of nuclear materials within the Project Area (on-site), which would be for the purpose of emergency response and management plans. We would welcome a further discussion on the rationale for this.

Valued Components – Section 7.3

The Municipality has reviewed the Valued Components (VCs) included in Table 2 of the draft Integrated Guidelines. According to discussions with the Bruce C Team, the list of VCs is considered draft in the draft Integrated Guidelines and the Municipality anticipates that further engagement will occur between the Municipality of Kincardine, Town of Saugeen Shores and Bruce County prior to the final selection of the VCs.

From an initial review, we would recommend the following updates to Table 2 of the VCs list:

- the Atmospheric environment, including air quality, noise and vibration and visual environment - "rationale for inclusion" also include potential changes that could impact residents and seasonal visitors in close vicinity of the site.
- The following Valued Components be included: Water quality, water quantity, cost of living, healthcare, tourism and agriculture.

Effects Assessment Methodology – Section 7.5

The Municipality of Kincardine is disappointed with details included in the draft Integrated Guidelines under Section 7.5 Effects Assessment Methodology and recommends that the following language from the [draft Tailored Impact Statement Guidelines Template \(Nuclear Reactors Version\)](#) be added to the Bruce C Integrated Guidelines.

The Impact Statement must describe the changes to the environment or to the health, social or economic conditions and the positive and negative consequences of these changes (the effects) that are likely to be caused by the carrying out of the project, and the results of interactions among the effects. The overall effects assessment methodology must also consider the project's potential impacts on the exercise of rights of the Indigenous Peoples of Canada as further detailed in section 10. The description must include the information requirements detailed in specific effects sections in the Guidelines.

The assessment of effects must be based on a comparison of baseline conditions and the predicted future conditions with the project. In some cases, it may be appropriate to determine future conditions both with, and without, the project, in order to account for potential changes in baseline conditions (e.g. due to climate change or to anticipated changes in socioeconomic conditions).

After considering the technically and economically feasible mitigation measures (see section 7.6 Mitigation and enhancement measures), the Impact Statement must describe any residual environmental, health, social or economic effects of the project. The assessment of residual effects must also take into account interactions between the residual effects of the project and those of past, existing and reasonably foreseeable projects or physical activities, as described in section 7.7 Cumulative effects assessment.

Depending on the VC, the description of the effects can be either qualitative or quantitative, taking into account any important contextual factors, as appropriate. The Impact Statement may describe the effects in terms of magnitude, geographic extent, timing, duration and frequency, and whether effects are reversible or irreversible. For some effects, it may be more appropriate to use other criteria, such as the nature of the effects, directionality, causation and probability. The scope of information should be scaled to the scope of anticipated adverse effects (REGDOC.-1.1.1 - Appendix G5.4.). The ecological and socioeconomic context should also be provided. The perception of the same effect may vary among different individuals, groups and communities. Consequently, the effects assessment should take into account views and concerns expressed through engagement with Indigenous Peoples and community members.

The Impact Statement must:

- *describe the project's potential direct and indirect, adverse and positive effects for each phase of the project;*
- *identify and describe measures that are technically and economically feasible and that would mitigate the project's adverse effects or enhancements to increase positive effects (see section 7.6 Mitigation and enhancement measures for more details);*
- *describe any residual effects of the project;*
- *identify the effects that are adverse effects within federal jurisdiction and the direct or incidental adverse effects, as defined in section 2 of the IAA;*
- *describe how baseline data were used to inform this analysis*

Cumulative Effects Assessment – Section 7.7

Section 7.7 lists several existing projects that are currently planned or underway in the region that must be considered when looking at cumulative effects. The Municipality recommends the Douglas Point Decommissioning project which is currently underway on the Site also be included in this list.

Population and emergency planning considerations - Section 7.9.6

The Municipality of Kincardine is the designated community for the Bruce Nuclear Site under the Provincial Nuclear Emergency Response Plan (PNERP). The Municipality looks forward to working with Bruce Power and the Province to address requirements and establish agreements for emergency planning and response as part of the overall project and as required under the following:

Before submitting the application for a LTPS, the proponent must confirm with the surrounding municipalities and the affected provinces, territories, foreign states, and neighbouring countries that the implementation of their respective emergency plans and related protective actions will accommodate the lifecycle of the proposed Project.

Discussions around early plans must include plans and consideration of the following:

- *onsite response, including the capacity to bring offsite equipment onsite;*
- *ability of offsite licensee staff to communicate with and access the site during a catastrophic event;*
- *offsite response, and how it is coordinated between the licensee and federal, provincial and municipal government agencies playing a role in emergency preparedness and response;*
- *how the licensee will coordinate with regulatory bodies; and*
- *how the licensee will respond and coordinate with emergency service providers (fire department, ambulance, hospital, fuel, food, and so on)*

Health, Social and Economic Conditions – Section 9

The Municipality has reviewed the information in section 9 and recommends that the following items be added under the relevant sections:

- Section 9.1.3 include mitigative measures to address the impacts of exclusion zones around the Bruce site and the limitations of development of sensitive uses as a result of the proposed project.
- Section 9.1.3 include potential mitigation measures to address the boom bust cycles of the sector taking into consideration the full life cycle of the project.
- Section 9.3.3 effects on community well-being include income inequalities and impacts on community wellbeing.
- Section 9.3.3 effects on community well-being considering the potential impacts of sex trade and human trafficking impacts with increased transient workforce in the community.
- Section 9.4.1 Baseline for services and infrastructure - include emergency preparedness and planning.
- Section 9.5.3 Effects on Business Environment and Local Economy includes “evaluate the net economic benefits to the economy as a whole, including: a quantitative evaluation of effects on local, regional, provincial, territorial, federal government or Indigenous Peoples revenues from tax levies, royalties, revenue sharing and other means for each phase of the project. The Municipality would recommend the word ‘benefits’ be change to ‘impacts’ as the tax assessment of energy generating facilities is a concern for the Municipality and has been outlined in a recent [Case Study of Bruce Nuclear, Bruce County, and the Municipality of Kincardine - The Decline of Local Revenues from Ontario’s Electricity Infrastructure](#) (see attached)

Workforce Housing and Temporary Work Camp

As part of the Bruce C Project impact assessment, the Municipality would request that workforce housing and/or temporary work camps be considered in order to address housing and accommodation requirements of the workforce. The Municipality is experiencing a significant housing crisis, particularly temporary accommodation as a result of the Bruce Power Major Component Replacement project and anticipates that a new nuclear build could cause significant long-term adverse impacts on our community, particularly for the low-income households and youth. It is worth noting that temporary workers camps were created historically when new reactors were constructed on the Site.

The provincial government has the primary legal responsibility for housing in Ontario, and municipalities play a role in its delivery and implementation, in that local municipalities are responsible for planning, building codes, and zoning, which directly impact housing development and affordability. Ontario has devolved much of the responsibility for social

housing, including funding and administration, to certain municipalities, and in the case of the two-tier system for the Municipality of Kincardine within the County of Bruce it is the county that has responsibility for its delivery.

Unlike Port Hope, the Municipality of Kincardine has not received a commitment from the Province that they will provide funding to the host municipality considering a new nuclear project to support future growth and infrastructure, and with the static property taxation issue of the Bruce Nuclear Generation Station, the municipality may not have funds available to support future infrastructure expansions to support future growth. As such we request the Bruce Power be required to evaluate the potential impacts of workforce accommodations and/or temporary work camps as part of the Bruce C Project Impact Assessment.

Follow-Up Program – Section 16

The Municipality would request that the local governments and the public be engaged in the Follow-up program as the [Follow-up Programs under the Canadian Environmental Assessment Act](#) includes Public Involvement and states that “Interested members of the public may be involved in the design and implementation of a follow-up program, as appropriate. Results of the follow-up program should be conveyed to them.”

Conclusion

The Municipality of Kincardine is pleased to have the opportunity to review and comment on the draft Integrated Tailored Impact Statement Guidelines for the Bruce C project and also provide input on the Summary of Potential Federal Incidental Activities. As outlined in our previous submission and as noted above, the Municipality has historically been impacted by major infrastructure decisions at the Bruce Nuclear Generating Site and we anticipate this will continue to be the case with the Bruce C Project. The Municipality looks forward to working collaboratively with Bruce Power, the Federal and Provincial governments, the nuclear industry, IAAC and the CNSC to better understand potential impacts, both positive and negative, and collaborate to work through mitigative measures to address or enhance these impacts to our local community.

Should you have any questions or require clarification on the above information, please do not hesitate to reach out to arrange a future meeting.

THE CORPORATION OF THE TOWNSHIP OF BRUCE

BY-LAW NO. 95-27

BEING A BY-LAW to authorize the entering into an agreement between the Corporation of the Township of Bruce and Ontario Hydro for the assessment and monitoring of impact by the Bruce Nuclear Power Development and the provision of financial assistance resulting therefrom.

WHEREAS the Corporation and Ontario Hydro have entered into previous agreements from time to time regarding the matters referred to above.

AND WHEREAS it is desirable to enter into a new agreement to consolidate and reflect all current agreements between the Corporation and Ontario Hydro and to provide for future impacts of the Bruce Nuclear Power Development on the Corporation.


NOW THEREFORE the Council of the Corporation of the Township of Bruce enacts as follows:

1. That the Corporation do enter into the agreement with Ontario Hydro which forms part of this by-law and a copy of which is hereto annexed.
2. That the Reeve and Clerk of the Corporation are hereby authorized to execute the said agreement on behalf of the Corporation by their signatures and the affixing of the Corporate Seal of the Corporation thereto and to deliver the agreement so executed to Ontario Hydro.
3. This by-law shall come into force and be effective upon its final passage by the Council of the Township of Bruce and upon receipt by the Township of Bruce of one counterpart of the said agreement duly executed by Ontario Hydro.

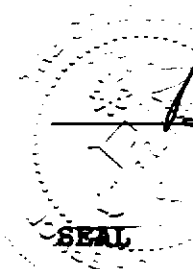
By-law introduced and read a First time this FOURTH day of JULY, 1995.

By-law read a Second time this FOURTH day of JULY, 1995.

By-law read a Third time and finally passed, signed, sealed, and numbered 95-27 this FOURTH day of JULY, 1995.



CLERK





REEVE

THIS AGREEMENT made in duplicate this 28th day of June, 1995, but effective the 1st day of January, 1995.

BETWEEN:

ONTARIO HYDRO

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWNSHIP OF BRUCE

(Hereinafter called "The Corporation")

OF THE SECOND PART

WHEREAS Ontario Hydro operates or may operate nuclear generating stations, heavy water plants, bulk steam supply systems and support facilities and may wish to construct additional facilities from time to time at the Bruce Nuclear Power Development (BNPD), in the Township of Bruce, in the County of Bruce.

WHEREAS Ontario Hydro does not intend that the Corporation incur financial hardship as a result of the presence of the Bruce Nuclear Power Development and other Ontario Hydro facilities.

WHEREAS because of the amount of assessment attributable to the Bruce Nuclear Power Development Site, the 50 percent limitation specified in Section 52(6) of The Power Corporation Act, R.S.O. 1990, as amended has applied since 1974 and is expected to continue.

WHEREAS Ontario Hydro is prepared to purchase and retain ownership of all properties within the 1-2 mile zone.

WHEREAS properties within the 2-5 mile zone will be treated according to policy adopted by Ontario Hydro from time to time.

WHEREAS the Corporation suffers a loss in assessment and revenue consequent on the purchase of these lands in the 1-2 and the 2-5 mile zone.

WHEREAS Ontario Hydro wishes to ensure the safe transport of BNPD employees during winter storm conditions.

WHEREAS industrial development may occur within the boundaries of the BNPD and necessitating the development of other facilities such as roads and utilities.

WHEREAS the County of Bruce wishes to prepare planning instruments to review and regulate changes associated with this potential industrial growth in the Corporation.

WHEREAS the Corporation wishes to participate in a significant way in the preparation of such planning instruments, including an industrial development strategy, amendments to the Official Plan applying to the Corporation and the Restricted Area By-law of the Corporation.

WHEREAS Ontario Hydro wishes to participate with the Corporation in addressing concerns associated with the future effects of the Bruce Nuclear Power Development.

WHEREAS Ontario Hydro and the Corporation did enter into an agreement dated December 2, 1987, to address these issues.

WHEREAS there has been numerous amendments and subsequent agreements between the parties from time to time which reflected changing circumstances and issues effecting the parties.

WHEREAS it is desirous and necessary to enter into a new comprehensive agreement to consolidate and reflect all current agreements between the parties and to plan for future impacts on the Corporation which might arise from the operation of BNPD.

NOW THEREFORE THIS INDENTURE WITNESSETH that for the considerations herein contained, the parties covenant and agree as follows:

1.0 DEFINITIONS

For the purpose of this agreement, the following definition shall apply:

- (a) "Lake Range Road" means the emergency winter route leading north from the BNPD site to Port Elgin in the Township of Bruce and Saugeen (marked as a dashed line on the attached Schedule "A").
- (b) "1-2 mile zone" means the land area between the boundary line in red and the boundary line in green on Schedule "A", but does not include any land on which Ontario Hydro erects any buildings or works as defined in the Power Corporation Act.
- (c) "2-5 mile zone" means the land area between the boundary line in green on Schedule "A" and the boundary line in yellow but does not include any land on which Ontario Hydro erects any building or works as defined in The Power Corporation Act.
- (d) "Year" means a calendar year.
- (e) "Emergency winter routes" means the roads leading north from the site towards Port Elgin and south along Albert Street between Concession Road 2 and County Road 15 in Bruce Township as marked on Schedule "A" attached hereto.
- (f) "Tie Road" means the road currently maintained by Ontario Hydro, more or less located across Lots 11 to 21, Lake Range or Concession "A", Bruce Township as shown on Schedule "A" attached hereto.
- (g) "BEC" means the Bruce Energy Centre.
- (h) "J-1 sideroad" means the sideroad separating Lot J and I that connects Highways #21 with Concession 4 on Bruce Township as shown on the attached Schedule "A".

2.0 SPECIFIC PROVISIONS

(A) Community Impact Grant

Ontario Hydro shall continue to include the Corporation in the Community Impact Grant Program as long as such program is available. The formula used to calculate this grant will be the same as used to determine the amounts funded to the other

impacted municipalities in Bruce County. This grant is in addition to any other grants in lieu of taxes made by Ontario Hydro to the Corporation.

(B) Bruce Township Special Grants

Ontario Hydro shall pay the following special grants to the Corporation, by December 1, in each year of this agreement commencing December 1, 1995.

(i) Ontario Hydro agrees to pay annually special grants on the lands owned by it in the 1-2 mile and 2-5 mile zones based on the valuations established under Section 52 of The Power Corporation Act, R.S.O. 1990 for such lands in the year calculated according to Section 52 but excluding the 50 percent limitation in Subsection 6 of Section 52 based on the sum total of the Corporation's mill rate for all purposes.

(ii) Ontario Hydro agrees to continue to pay a special grant payment to the Corporation for Inverhuron Park.

(iii) Ontario Hydro agrees to pay a new special grant for their leased premises at Douglas Point in the Atomic Energy Canada Limited (AECL) owned property. The grant shall be paid on the business assessment allocated to Ontario Hydro, until the earlier of the end of this agreement, the date upon which Ontario Hydro's lease for the Douglas Point facility is terminated or the cessation of payment of special grants.

These special grants shall be considered to be over and above the payment made annually to the Corporation in accordance with Section 52 of The Power Corporation Act, and shall be calculated using the same formula as agreed by the parties in the previous agreement respecting such grants, provided that the AECL grant shall be based on the Inverhuron Park formula.

(C) BMTS

Ontario Hydro agrees to participate with the Bruce Municipal Telephone System (BMTS), and the Corporation, in the funding of the installation of pipe and fibre along the 4th Concession of Bruce Township from the Bruce Energy Centre (BEC) into the BNPD site during the term of this Agreement. The parties agree that the total Ontario Hydro funding for this project will be the lesser of (i) the actual contract installation cost to install such facilities, or (ii) \$45,000.00 to be paid upon the completion of the work. In addition, Ontario Hydro will endeavor to use BMTS's services including its integrated Services Digital Network at the BNPD site, provided BMTS can demonstrate capability, reliability and such services can be supplied at a competitive cost.

(D) BUILDING PERMITS

Ontario Hydro agrees to comply with the memorandum of understanding which is attached as Schedule "B-1" hereto, and to the current Schedule "C" of By-law 90-22 regarding public buildings attached as Schedule "B-2" hereto, regarding the collection of building permit fees owing to the Corporation and agrees to increase the annual fee referred to in paragraph 2 of the said memorandum attached as Schedule "B-1", from \$2,000.00 to \$4,000.00, which shall be paid June 1st in each year commencing June 1, 1995.

(E) INVERHURON SEWAGE TREATMENT

Ontario Hydro agrees to provide future access for the Corporation to an allocated portion of the BEC sewage treatment plant (the system) capacity to a maximum of 35 cubic meters per day of the plant's design capacity of 2,200 cubic meters per day.

(F) ACCESS TERMS

It is agreed that the right of access to the system as agreed in paragraph 2(E) is based on the system which exists as of the effective date of this agreement and is subject to the following terms and conditions:

(i) Ontario Hydro shall not be required to make capital expenditures or contributions to the system which might be required after the date the corporation connects to the system which are required as a result of the use of the system by the Corporation.

(ii) The Corporation shall not be charged a connection fee or charge at the time it connects to the system and shall only be required to pay any capital costs associated with such connection.

(iii) Prior to connecting to the system the Corporation shall enter into a sewer use agreement with Ontario Hydro which shall include the following provisions:

1. The Corporation paying its annual share of the operating cost of the system, to be based on a formula as agreed between the parties, failing which to be based on a flow proportional basis of flow contributed to the system by the Corporation as determined by flow meters.

2. The Corporation paying its annual share of any capital improvements to the system made subsequent to the date of connection provided such capital costs payable by the Corporation shall be limited only to costs required to maintain the system as existing at the date of connection and not to costs which might be associated with improvements or expansion to the system after the date of connection, which are unrelated to the use of the system by the Corporation.

3. The said agreement shall relieve Ontario Hydro from liability claims by third party users of the system.

(iv) Ontario Hydro agrees that the Corporation has the right to sell its capacity and access to the system, to a third party, on the same terms and conditions as if the Corporation connected to the system. Such right is subject to the consent of Ontario Hydro, which consent shall not be unreasonably withheld.

(v) It is agreed by Ontario Hydro that the right of the Corporation as agreed in paragraphs 2(E) and (F) of this agreement is a right which shall exist until surrendered by by-law of the Corporation and shall continue and be binding on Ontario Hydro beyond the term of this agreement.

(G) HIGHWAYS

(i) Upon the execution of this agreement by the parties, the Corporation shall resume the cost of maintaining those parts of Bruce Township Concessions 2 and 4 which lie between the westerly limit of Highway #21 to their intersection with the Tie Road, which were previously maintained at the cost of Ontario Hydro, and the Corporation shall enact a by-law accepting and dedicating the Tie Road as a municipal public highway, and shall assume the costs of maintaining the Tie Road thereafter.

(ii) The Corporation agrees to maintain the said highways in a manner consistent with other highways within its jurisdiction.

(iii) The Corporation shall during the term of this agreement reconstruct the said highways to MTO standards for a similar highway.

(iv) The Corporation agrees during the term of this agreement not to request any financial assistance from Ontario Hydro for highway purposes unless there is a substantial change in traffic volumes related to major new Ontario Hydro facilities at the BNPD site, in which case such impact will be assessed and the parties agree to negotiate a payment by Ontario Hydro to compensate the Corporation for resulting increased highway maintenance costs.

(v) The parties agree that they shall each be responsible for all costs of erecting and maintaining signage on those highways as set out in Schedule "C" to this agreement.

(H) WINTER MAINTENANCE

Notwithstanding the previous provisions of this agreement regarding highway maintenance, during the winter months only, Ontario Hydro shall at its own expense perform salting, sanding and snow removal on the following Bruce Township Highways:

(i) The 2nd and 4th Concessions from Highway #21 West to their intersection with the Tie Road.

(ii) The Tie Road.

(iii) Farrell Drive, Plan 3M-113.

(iv) The J1 sideroad.

(v) The first morning pass along Albert Street in Inverhuron.

(I) EMERGENCY ROUTES

Emergency situations may arise during the winter months where the emergency winter routes over other Highways under the jurisdiction of the Corporation must be plowed, sanded and salted before BNPD employees can use them. The shift supervisor of Nuclear Waste Environmental Services Division shall make every effort to contact the Corporation's Road Superintendent to ascertain the condition of the winter route. He shall also ascertain whether the Corporation will be able to respond to the needs of plowing, sanding and salting.

If the Corporation's Road Superintendent cannot be contacted, the shift supervisor may dispatch the BNPD operations equipment to clear the emergency winter routes for use by the BNPD employees.

The Corporation's Road Superintendent shall be advised as soon as possible of the operations being carried out.

(J) LIABILITY

(i) Ontario Hydro does hereby assume all liability and obligation for any and all loss, damage or injury to property or persons arising or occurring by reason of Ontario Hydro carrying out the right granted to it by the Corporation pursuant to Section 2(1) to snow plow, sand or salt the emergency winter routes pursuant to this agreement and arising from its obligation to provide winter maintenance pursuant to Section 2(H) of this agreement, and agrees to indemnify and save harmless the Corporation from any claims arising from such work by Ontario Hydro, including from that part of the J1 sideroad lying within the Village of Tiverton.

(ii) Ontario Hydro shall further report to the Bruce Township Road Superintendent, any damage to the Bruce Township roads or any unsafe road conditions which it observes

while performing the work referred to in Sections 2(H) and (I) of this agreement and shall pay to the Township forthwith upon demand the cost of any such repairs to the roads as may be caused by Ontario Hydro, including from that part of the J1 sideroad lying within the Village of Tiverton.

(K) RADIOACTIVE WASTE

The Corporation recognizes that Ontario Hydro has the right to transport to, and process and store at, the BNPD site, LOW AND INTERMEDIATE level radioactive waste from any of its facilities, wherever situated. If for example Ontario Hydro was to establish a HIGH level radioactive waste storage facility for waste originating from outside the BNPD site, or a storage facility for Mixed Oxide Fuel (MOX) beyond storage facilities which exist today, it shall first consult with the Corporation and shall negotiate such further compensation as may be agreed for the impact of such increased storage facilities.

(L) OTHER WASTE

The Corporation recognizes that Ontario Hydro has the right during the term of this agreement to transport to, and process and store at, the BNPD site, other waste, wherever generated and whether generated by Ontario Hydro or another entity, (such as chemical waste to be processed at the BNPD site Spent Solvent Treatment Facility, or used Cobalt 60 sources).

(M) ANNUAL PAYMENTS

Ontario Hydro agrees to pay the Corporation \$300,000.00 per year to a maximum of \$1,500,000.00 during the term of this Agreement for impacts related to the Corporation in respect of the operation of the BNPD. The annual payment will be made on June 1st each year commencing on June 1, 1995 and to be used by the Corporation for such projects, at its discretion, and shall be considered part of the general funds of the Corporation.

(N) MONITORING

The Corporation and Ontario Hydro agree to participate in the establishment and implementation of monitoring and study programs, related to but not limited to proposed projects having potential synergies with the BNPD site and impacts relating to ongoing BNPD activities and such other matters that are agreed upon from time to time by the joint Bruce Township/Ontario Hydro Liaison Committee.

(O) JOINT FUND

(i) Ontario Hydro shall contribute the sum of \$100,000.00 per year on the first day of September in each year up to a maximum amount of \$500,000.00 during the term of this agreement, to a fund to be used for such monitoring and study programs, and known as the BNPD/Bruce Township Impact Fund.

(ii) The said fund shall be established in a bank account at a chartered bank agreed by the parties and shall be jointly owned and operated by the Corporation and Ontario Hydro and shall require authorized signatures from each party for all withdrawals.

(iii) Commencing December 31, 1996 and on the 31st day of December throughout the term of this agreement, the balance of the fund shall be reviewed and any amount in the fund consisting of both capital contributions and interest, which is in excess of \$50,000.00 and has not been committed for use by the Liaison Committee, shall be paid

forthwith to the Corporation to be used for its general municipal purposes in its sole discretion.

(iv) The balance of the fund shall not be reduced to an amount less than \$50,000.00 as a result of such payment to the Corporation.

(v) At the end of this agreement the total uncommitted balance of the fund shall be paid forthwith to the Corporation to be used for its general municipal purposes in its sole discretion.

(vi) It is agreed that the first annual contribution to the fund by Ontario Hydro shall be dedicated to studies associated with the future operation of the BEC and its ancillary hard services.

3. MUNICIPAL AUTHORITY

(a) Ontario Hydro agrees to refer to the Liaison Committee, when appropriate, the uses and provisions of the applicable zoning category, and other relevant planning decisions regarding any proposed development in the 1-2 mile zone.

(b) Ontario Hydro recognizes the potential for industrial development in the "1-2 and 2-5 mile zone". In the event that Ontario Hydro leases some of its lands for non-Hydro industrial or commercial use, within these zones, it is recognized that such tenants of lands owned by Ontario Hydro should be liable for municipal taxes. Ontario Hydro therefore agrees that any agreement with third parties with respect to occupancy of land and/or buildings used for industrial purposes or other uses will provide that such third party shall, if liable therefore, pay realty and business taxes. If such tenants are not liable for realty tax, Ontario Hydro, if liable therefore, agrees to make payments as provided for under Section 52 of the Power Corporation Act, R.S.O. 1990 on the land excluding the payment of business tax as provided for under the same section over and above the 50% limitation on payments for the Ontario Hydro facilities. In the event of such non-Hydro industrial or other developments, Ontario Hydro also agrees that the Corporation shall collect business taxes directly from the tenant.

4. LIAISON COMMITTEE

(a) A Liaison Committee shall be established. Each party shall nominate two members and alternates to act on their behalf. Decisions and recommendations of the Liaison Committee shall be unanimous and shall be binding on both parties to this Agreement. Failure of the Liaison Committee to agree shall result in Arbitration as provided for in Section 6 of this Agreement.

(b) Current and future impacts are to be considered within the context of the overall monitoring program through representations at the Liaison Committee specifically establish to address matters of mutual interest to meet on a regular basis predetermined by joint agreement and may adopt such procedure as the members agree from time to time. The role of this committee will include initiation and receiving of reports, the review of staffing requirements, the compensation for impacts as determined by the monitoring and study programs and generally to act as the forum for discussion and resolution of matters of mutual interest, including the implementation and operation of this agreement.

(c) Ontario Hydro agrees that the Corporation may, at any time, submit a claim to the Liaison Committee for any item of compensation not specifically identified in this Agreement, but for which Ontario Hydro has obligated itself under this Agreement. Once such claims have been unanimously agreed to by the Liaison Committee, they are to be submitted to the Director of Bruce B at BNPD.

5. OUTSIDE DEALINGS

The Corporation retains the right to deal with Ontario Hydro external to this agreement, and Ontario Hydro reserves the same right, in respect of the Corporation.

6. ARBITRATION

(a) Ontario Hydro and the Corporation agree that should any differences arise in connection with the interpretation or application of this agreement, or with any amendments to this agreement such issues shall be submitted to a Board of Arbitration, and the award of such Board of Arbitration shall be final and binding on Ontario Hydro and the Corporation, and not subject to any appeal.

(b) Ontario Hydro and the Corporation (for the purposes of this paragraph, referred to as the parties) agree that any arbitration as provided for above shall be constituted and established as follows:

(i) Either party may at any time serve on the other party a notice requiring an arbitration and specifying the relief claimed and the grounds for claiming such relief.

(ii) Within fourteen clear days of the service of such notice, each party shall appoint a member to a board to be constituted in respect of such arbitration.

(iii) The members so appointed shall, within fourteen clear days from the aforementioned seven day period, appoint a third person to act as chairman of the Board of Arbitration.

(iv) The provisions of The Arbitrations Act, R.S.O. 1990, Chapter A.24 and amendments thereto, and the schedules and regulations thereto shall apply mutatis mutandis, be part of this procedure.

(v) The Board of Arbitration shall hear the matters in dispute, and make their award in writing, within three months after the appointment of the chairman, and may not enlarge this time period without the consent in writing of both parties.

(c) Should Ontario Hydro deny, in whole or in part, any claim submitted to the Liaison Committee, or fail to respond to such claim within a period of 90 days, the Corporation may submit the claim to a Board of Arbitration as provided above.

(d) The provisions of this paragraph 6 shall survive the termination of this agreement only to the extent of arbitrations commenced prior to 90 days following the termination date of this agreement.

7. TERM

This agreement shall be effective from January 1, 1995 and shall terminate on December 31, 1999.

8. TERMINATION

(a) Prior to termination or no later than February 1, 1999, Ontario Hydro will review with the Corporation the question of future application of all payments to the Corporation related to this Agreement and events that could lead to the extension of this Agreement or a new agreement.

(b) This agreement may be terminated at the end of any year by Ontario Hydro on 120 days written notice after a change to Section 52 of The Power Corporation Act,

R.S.O.1990, if these changes cause a conflict with this agreement, or the changes affect Ontario Hydro financially. Should Section 52 of the said Power Corporation Act be amended or repealed and Ontario Hydro terminates this agreement, Ontario Hydro and the Corporation agree to negotiate a new agreement to be in effect until December 31, 1999. In the event that the parties fail to reach an agreement within 120 days of the end of the year of termination, any matters not settled shall be referred to arbitration pursuant to the provisions of Section 6 of this agreement.

(c) The parties agree that the provisions of this agreement regarding access to the BNPD sewage system (paragraph 2 (E) and (F)) shall survive the termination of this agreement and remain binding on the parties.

(d) If a new agreement has not been reached by December 31, 1999 Ontario Hydro agrees that its obligations regarding winter maintenance as agreed in paragraph 2(H) shall continue throughout the 1999-2000 winter season and shall not cease until May 15, 2000.

9. MISCELLANEOUS

(a) This agreement cannot be assigned by one party to another entity without the written consent of the other. The agreement shall extend to, be binding upon and enure to the benefit of the successors and permitted assigns of the parties thereto.

(b) Notices

All notices must be given in writing and delivered in accordance with this clause.

All notices shall be delivered to the other party and no notice shall be effective until such delivery has been made.

The addresses for delivery are:

(a) Ontario Hydro
Box 4000
Tiverton, Ontario
NOG 2T0

Attention: Director Bruce B. (BNPD)

(b) The Corporation of the Township of Bruce
R.R. #3
Tiverton, Ontario
NOG 2T0

Attention: Clerk-Treasurer

Notice shall be deemed to have been delivered:

(a) If delivered by hand, upon receipt.

(b) If delivered by electronic transmission, 48 hours after the time of transmission, excluding from the calculation weekends and public holidays.

(c) If delivered by registered mail, four (4) days after the mailing thereof, provided that if there is a postal strike such notice shall be delivered by hand.

The parties may change their respective addresses and names of addresses for delivery by delivering notices of changes as provided above.

(d) This agreement shall be construed according to and shall be governed by the laws of the Province of Ontario, and the parties do hereby irrevocably attorn to the jurisdiction of the Courts of such Province.

(e) No failure of any party to pursue any remedy resulting from a breach of this agreement by the other party shall be construed as a waiver of that breach or as a waiver of any subsequent or other breach.

(f) If any provision of this agreement is determined to be unenforceable or invalid by all of the parties or by the decision of any court of competent jurisdiction which is not appealed or appealable, for any reason whatsoever, such unenforceability or invalidity shall not effect the enforceability of the remaining portions of this agreement and such unenforceable or invalid provision shall be severed from the remainder of this agreement.

(g) This agreement shall not be amended, cancelled, suspended, qualified or otherwise altered except by a memorandum in writing signed by each party hereto and any amendment, alteration or qualification hereof made without such written memorandum signed as aforesaid shall be null and void.

(h) The captions and headings appearing in this agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope of the intent of such sections of this agreement nor in any way affect this agreement.

(i) This agreement supersedes and overrides any other agreement, representation, understanding between the parties or made by one party to the other respecting the subject matter herein.

IN WITNESS WHEREOF Ontario Hydro and the Corporation have caused this agreement to be signed by their duly authorized representatives.

We have authority to bind the Corporation

ONTARIO HYDRO

Per: 

Director

Per: 

Director

Authorized by Bruce Township
By-law #95-27
passed this 4th day of July
, 1995

THE CORPORATION OF THE
TOWNSHIP OF BRUCE

Per: 

Reeve

Per: 

Clerk-Treasurer

AGREEMENT DATED JUNE 28, 1995 AND
EFFECTIVE JANUARY 1, 1995

BETWEEN:

ONTARIO HYDRO

- and -

THE CORPORATION OF THE TOWNSHIP OF
BRUCE

BNPD IMPACT AGREEMENT

WAECHTER, MAGWOOD, VAN DE VYVERE
& THOMPSON
Barristers & Solicitors
215 Durham Street
Walkerton, Ontario
NOG 2V0

(519) 881-3230 - Telephone

(519) 881-3595 - Fax

3. All Ontario Hydro related building of a cost between \$5,000.00 and \$20,000.00 constructed on the Bruce Nuclear Power Development site must be reported to Bruce monthly on the form attached as a schedule to this agreement, together with the fee based on the cost of such construction in accordance with the "Public Buildings" fee schedule of the said by-law and no permit or inspection shall be required.
4. All Ontario Hydro related building of a cost over \$20,000.00 constructed on the Bruce Nuclear Power Development site, shall require permits and inspections and be subject to all of the requirements of the said by-law including the fee schedule established for "Public Buildings".
5. All Ontario Hydro related buildings constructed off the Bruce Nuclear Power Development site will be treated as general buildings in the Township and will be subject to the requirements of the said by-laws and shall pay the fees established in Schedule "A" to By-law No. 88-11 as amended by By-law No. 90-22.
6. (a) It is agreed that Building Permit costs for Ontario Hydro related buildings are not to be applied to any systems installed by Ontario Hydro, used for the production of energy but only to buildings and structures as defined in the Building Code Act, R.S.O. 1980, Chapter S1, Section 1(b).

(b) Any question of interpretation of what constitutes a "system" as opposed to a "building" shall be referred to the Bruce Township, Ontario Hydro Liaison Committee for final determination.

bu

7. Ontario Hydro agrees to pay to Bruce Township \$15,000.00 to cover any and all outstanding building permits prior to December 31st, 1989.

8. Any questions as to interpretation of any parts of this memorandum shall be referred to the Bruce Township/Ontario Hydro Liaison Committee for final determination.

B-2

SCHEDULE "B-2"

Schedule "B-2"
This is Schedule "B-2" to
By-law No. 95-27 passed
this 4th day of July
1995.
Reeve Howard Kirby
Clerk Bwana

THE CORPORATION OF THE TOWNSHIP OF BRUCE

SCHEDULE "C" TO BY-LAW NO. 88-11, AS AMENDED
BY BY-LAW NO. 90-22

PAGE 4

SCHEDULE "C"

PUBLIC BUILDINGS

CLASS OF PERMIT

All buildings, used for purposes of public service by any department of the Government of Canada or the Province of Ontario, including Ontario Hydro, a Board of Education or any telephone, telegraph railway or gas company, shall pay the following fee:

1. (a) (i) \$7.00 for every \$1,000.00 of cost up to \$2,000,000.00; or
- (b) \$5.00 for every \$1,000.00 of cost from \$2,000,000.00 to \$10,000,000.00.
- (c) \$4.00 for every \$1,000.00 of cost over \$10,000,000.00.

1-8/88

SCHEDULE "C"

Schedule "C"
 This is Schedule "C" to
 By-law No. 95-27 passed
 this 14th day of July
 1995
 Reeve Howard Rieley
 Clerk D. L. Loran







ROAD SIGNAGE RESPONSIBILITIES

- MTO - MINISTRY OF TRANSPORTATION IS RESPONSIBLE
- OH - ONTARIO HYDRO IS RESPONSIBLE
- BT - BRUCE TOWNSHIP IS RESPONSIBLE

BRUCE TOWNSHIP - WEST OF HIGHWAY #21
CONCESSION 4

NORTH

SOUTH

MTO	YIELD	0.1 KM	MTO	HIGHWAY #21 SOUTH	0.2 KM
OH	BHPD INFORMATION	0.2 KM	MTO	STOP AHEAD WITH LIGHT	0.3 KM
BT	MAX. 80 KM/HR REQUIRES REPLACEMENT	0.8 KM	MTO	HIGHWAY #21 NORTH & SOUTH	0.3 KM
BT	INTERSECTION AHEAD  REQUIRES REPLACEMENT	1.9 KM	BT	MAXIMUM 80 KM/HR	1.9 KM
OH	 BHPD  INFO CTR	2.1 KM			
BT	MAXIMUM 80 KM/HR	2.3 KM	BT	INTERSECTION AHEAD 	2.3 KM
BT	INTERSECTION AHEAD  REQUIRES REPLACEMENT	4.0 KM	BT	MAXIMUM 80 KM/HR	4.0 KM
BT	MAXIMUM 80 KM/HR	4.4 KM	BT	INTERSECTION AHEAD 	4.5 KM
OH	INFORMATION CENTRE	4.7 KM			
BT	INTERSECTION AHEAD	4.8 KM			
BT	STEEP HILL REQUIRES REPLACEMENT	4.9 KM			
OH	INFORMATION CENTRE	5.0 KM			
			OH	INFORMATION CENTRE	5.1 KM
			BT	HIDDEN INTERSECTION	5.1 KM
BT	DEER CROSSING	5.7 KM			

1 of 5
 DL

BRIDGE TOWNSHIP - WEST OF HIGHWAY #21
CONCESSION 4

NORTH

SOUTH

BT CURVE AHEAD 6.2 KM

BT MAXIMUM 80 KM/HR 6.3 KM

BT 50 KM/HR AHEAD  6.3 KM

OH CAUTION BARRIER AHEAD 6.3 KM
 BE PREPARED TO STOP
 WITH FLASHING LIGHT


BT FLEXIBLE MARKERS 6.3 KM

OH ALL DELIVERIES & VISITORS 6.4 KM
 REPORT TO MAIN GUARD SHACK

BT INTERSECTION AHEAD  6.5 KM

BT CHECKBOARD SIGN  6.5 KM

BT DEER CROSSING 6.6 KM

BT CURVE  6.7 KM

215
 Bw

**BRUCE TOWNSHIP - CONCESSION 4 SOUTHERLY
"TIE ROAD"**

EAST

WEST

**BT 4 FT. STOP SIGN
(ENGINEERING GRADE)**

OH TOURS 0.1 KM

BT MAXIMUM 60 KM/HR

Max
60
KM/HR

**OH DANGER LIVE OVERHEAD
LINES 0.1 KM**

BT CURVE AHEAD  **0.5 KM**

BT MAXIMUM 60 KM/HR 0.4 KM

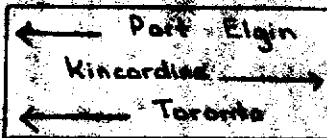
Max
60
KM/HR

MAIN GUARD SHACK

OH TOURS 0.6 KM

BT YIELD 0.6 KM

**BT STOP
DO NOT ENTER 0.6 KM**



**OH DANGER LIVE OVERHEAD
LINES 0.7 KM**

**OH BRUCE NUCLEAR INFO
POWER DEVELOPMENT CTR 0.7 KM**

**OH DANGER LIVE OVERHEAD
LINES 0.8 KM**

**OH DANGER LIVE OVERHEAD
LINES 1.0 KM**

**OH DANGER LIVE OVERHEAD
LINES 1.3 KM**


BT CURVE AHEAD  **1.6 KM**

BT CURVE AHEAD  **2.1 KM**

BT FLEXIBLE MARKERS

REPLACEMENT REQUIRED

BT MAXIMUM 60 KM/HR 2.2 KM

**BT STOP AHEAD 4 FT.
REPLACEMENT REQUIRED**  **2.1 KM**

Max
60
KM/HR
BEGIN







**BT STOP SIGN 4 FT.
ENGINEERING GRADE 2.4 KM**

3 of 5
Rev

BRUCE TOWNSHIP WEST OF HIGHWAY #21
CONCESSION 2

NORTH

SOUTH

				MTO	SEAT BELT SIGN RAMP SPEED 40 KM/HR DELINEATOR STOP SIGN	
OH	MPD INFORMATION CENTRE	0.1 KM		MTO	HIGHWAY #21 SOUTH	0.1 KM
				MTO	STOP AHEAD WITH FLASHING LIGHT	0.2 KM
BT	80 KM/HR	0.3 KM		MTO	HIGHWAY #21 SOUTH & NORTH	0.3 KM
BT	SNOWMOBILE CROSSING	0.9 KM		BT	SNOWMOBILE CROSSING	1.4 KM
BT	INTERSECTION AHEAD REQUIRES REPLACEMENT	1.8 KM				
BT	HIGHWAY 21 → INVERHURON ← (FINGERBOARDS)	2.0 KM		BT	80 KM/HR	1.9 KM
BT	80 KM/HR	2.1 KM		BT	TIVERTON 2 KM	2.1 KM
BT	INTERSECTION AHEAD REQUIRES REPLACEMENT	3.9 KM		BT	INTERSECTION AHEAD REQUIRES REPLACEMENT	2.1 KM
BT	80 KM/HR	4.2 KM		BT	80 KM/HR	4.0 KM
BT	INTERSECTION AHEAD REQUIRES REPLACEMENT	6.0 KM		BT	INTERSECTION AHEAD REQUIRES REPLACEMENT	4.2 KM
BT	INTERSECTION AHEAD REQUIRES REPLACEMENT	6.3 KM		BT	80 KM/HR	6.0 KM
BT	MAXIMUM 60 KM/HR	6.5 KM		BT	 INTERSECTION AHEAD	6.3 KM
				BT	 INTERSECTION AHEAD	6.5 KM

60
KM/HR

4 of 5
Rm

BRUCE TOWNSHIP WEST OF HIGHWAY #21
CONCESSION 2

NORTH

SOUTH

OH CAUTION BARRIERS AHEAD 6.5 KM
BE PREPARED TO STOP
WITH LIGHT


OH ALL DELIVERIES TO 6.6 KM
MAIN GUARDBOUSE

BT 60 KM/HR 6.7 KM

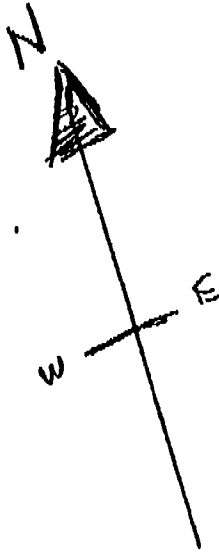
BT INTERSECTION  6.7 KM

OH BRUCE NUCLEAR POWER DEV. 6.8 KM
INFORMATION CENTRE

BT EXIT TO 6.8 KM
HIGHWAY #21

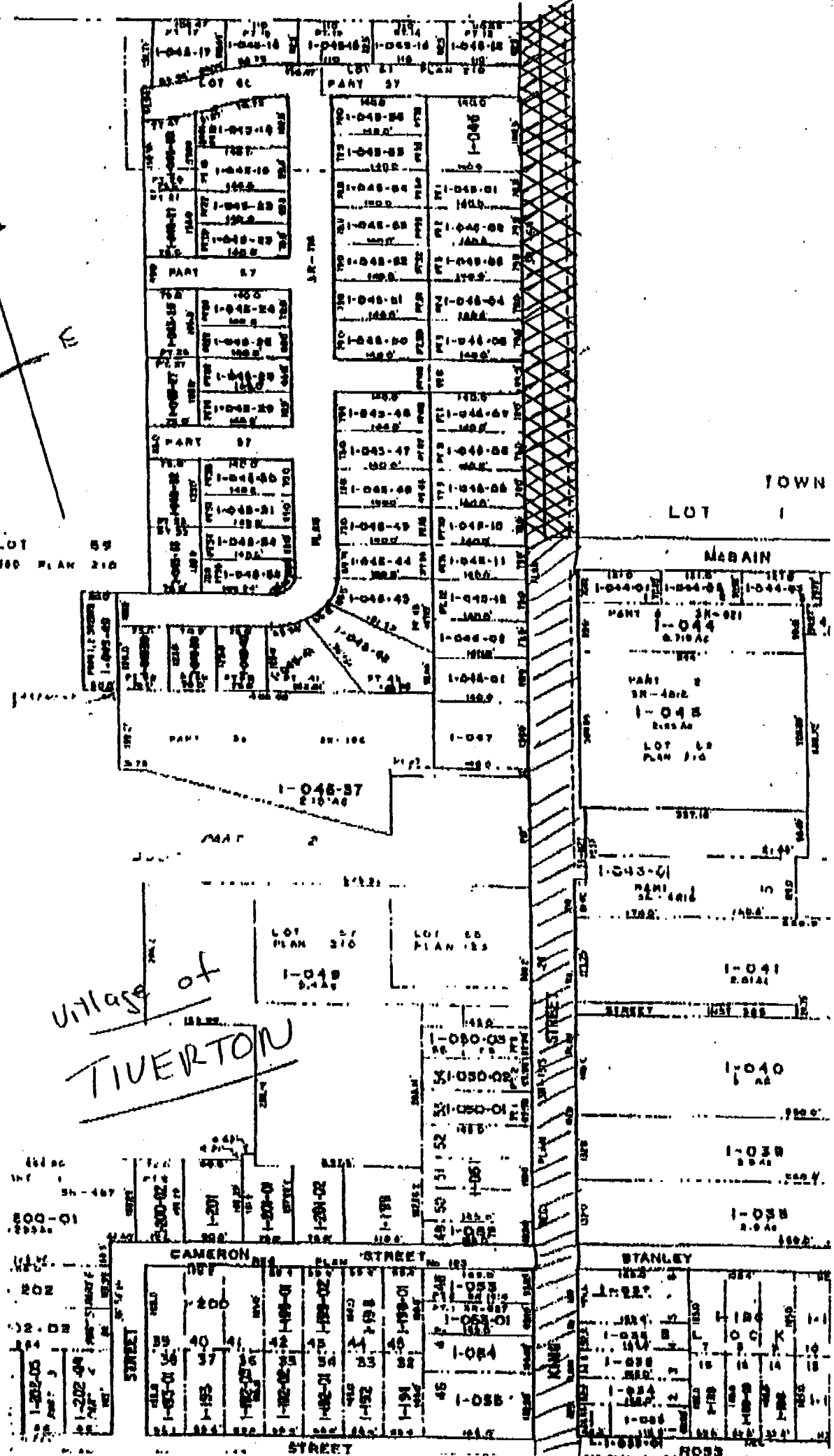
Controlled Area	O N T
Visitor	
Persons	

5 of 5
Bu

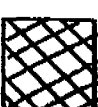


LOT 59
100 PLAN 210

Village of
TIVERTON



J-1 side road, within the Village of Tiverton, to be maintained by Bruce Township.



J-1 side road, forming boundary road between Tiverton and Bruce Township, to be maintained by Bruce Township.

This is Schedule " A " to By-Law
No. 2004-157 passed the 13th day
of OCTOBER 2004.

Glenn R. Lutes
Mayor

Nancy Sweeney
Clerk Deputy

ONTARIO POWER GENERATION INC.

"OPG"

and

The Corporation of the Municipality of Kincardine

"Kincardine"

**AN AGREEMENT REGARDING
A DEEP GEOLOGIC REPOSITORY FOR
LOW & INTERMEDIATE LEVEL NUCLEAR WASTE**

Glenk. Sutton Mayor
R. Purcell Clerk Deputy

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This is Schedule "A" to By-Law
 No. ²⁰⁰⁴⁻157 passed the 13th day
 of October 2004.

Glen R. Suther
 Mayor

Nancy Sweet
 Clerk *N. D. P. Clerk*

No. 2004-157 passed the 13th day
of October 2004.


Mayor


Clerk

THIS AGREEMENT made this 13th day of October, 2004.

B E T W E E N:

ONTARIO POWER GENERATION INC.,
a corporation existing under the laws of Ontario

(hereinafter called "OPG")

AND

The Corporation of the Municipality of Kincardine,
a corporation existing under the laws of Ontario

(hereinafter called "Kincardine")

RECITALS:

- A. Whereas OPG has operated a facility within Kincardine at the Western Waste Management Facility ("WWMF") for interim centralized storage of Low and Intermediate Level Waste ("L&ILW") from the Pickering, Darlington and Bruce nuclear generating stations for over thirty years;
- B. Whereas nuclear generating stations and associated facilities will need to be Decommissioned, resulting in Decommissioning Waste;
- C. Whereas it is foreseeable that additional nuclear generating facilities may be established in Ontario, with associated production of L&ILW;
- D. Whereas on April 16, 2002 Kincardine and OPG signed a memorandum of understanding which set out the terms under which OPG, in consultation with Kincardine, would develop a plan for the long-term management of L&ILW at the WWMF. An independent assessment of long-term management of L&ILW options was conducted by Golder Associates and concluded in an Independent Assessment Report ("IAR") in early 2004 that all three of the options considered i.e. enhanced processing and storage, surface concrete vaults and a Deep Geologic Repository ("DGR") were technically feasible, safe and would ultimately have no significant adverse environmental, social or economic effects;
- E. Whereas the IAR concluded that DGR would have the largest safety margin of all the three options for long-term management of L&ILW which were considered. The IAR further stated that Kincardine and the Adjacent Municipalities would receive direct and indirect economic benefits from DGR such as additional employment and an increase in business and investment;

of October 2004.Glenn L. Smith
MayorA. Pucette
Clerk

- F. Whereas the Council of Kincardine, by resolution dated April 21, 2004, endorsed advancing DGR for long-term management of L&ILW in Kincardine;
- G. Whereas the Council of Kincardine is responsible to act in the interest of the general health, safety and welfare of its inhabitants and the protection of the environment;
- H. Whereas the construction and operation of the DGR by OPG must meet legally imposed environmental, health, safety and security standards and Canada's international obligations, the interpretation and scope of which fall primarily under the jurisdiction of the Canadian Nuclear Safety Commission ("CNSC");
- I. Whereas Kincardine is recognized as the host municipality and the Corporation of the Town of Saugeen Shores, the Corporation of the Township of Huron-Kinloss, the Corporation of the Municipality of Arran-Elderslie and the Municipality of Brockton are adjacent municipalities;
- J. Whereas the Parties wish to ensure that Kincardine and adjacent municipalities receive compensation relating to construction and operation of the DGR;
- K. Whereas OPG acknowledges that local community support is desirable for the success of the long-term waste management of L&ILW;
- L. Whereas Kincardine acknowledges the potential benefits of the DGR project to its residents;
- M. Whereas OPG and its predecessors historically had a community agreement with Bruce Township;
- N. Whereas there have been ongoing discussions between OPG and Kincardine about the DGR leading to signing of a non-binding term sheet dated September 28, 2004; and
- O. Whereas OPG recognizes and acknowledges the value of having a permanent storage facility for L&ILW in Kincardine.

THEREFORE IN CONSIDERATION OF the covenants hereinafter contained and for value received, the parties agree as follows:

SECTION 1 INTENT AND INTERPRETATION

1.1 Definitions.

In this Agreement the following terms have the respective meanings set out below:

- (a) **"Adjacent Municipalities"** means collectively, the Corporation of the Town of Saugeen Shores, the Corporation of the Township of Huron-Kinloss, the Corporation of Arran-Elderslie and the Municipality of Brockton;
- (b) **"Agreement"** means this agreement, including any recitals and schedules thereto, as amended or restated from time to time by Amendment;

of October 2004.Glenn S. Sutton
MayorN. Lucette
Clerk of the City

- (c) “**Arbitrator**” means a single arbitrator who must be a retired judge of the Supreme Court of Canada, the Superior Court of Justice (Ontario) or of any court of a Canadian province having jurisdiction comparable to, or higher than that, of such court or such person as the Parties mutually agree upon;
- (d) “**Amendment**” means a written amendment signed by the parties which makes any change to this Agreement or an amended or restated agreement. “Amend”, “Amends” and “Amended” shall have similar meanings;
- (e) “**Business Day**” means any day other than a Saturday, Sunday, New Year’s Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day or any other public holiday declared by the federal or provincial government. Each Business Day will end at 3 p.m. on that day;
- (f) “**CNSC**” means the Canadian Nuclear Safety Commission established under the *Nuclear Safety and Control Act (Canada)* and any successor agency, board, or commission;
- (g) “**Community Consultation**” means the public consultation relating to the construction and operation of DGR, conducted by Kincardine in consultation with OPG in accordance with SECTION 3 of this Agreement;
- (h) “**CPI (Ontario)**” means for a calendar year the historical consumer price index for the Province of Ontario (time base = 100), or the price index most nearly corresponding thereto should the said consumer price index not be published for any time during the period in question, as published by Statistics Canada or any successor or other body which may assume responsibility for the preparation and publishing of the said consumer price index or corresponding index, as the case may be;
- (i) “**Decommissioning Waste**” means L&ILW derived from removing a nuclear generating station, or nuclear waste facility, or any part thereof, from service and “Decommissioning” and “Decommissioned” shall have a similar meaning;
- (j) “**Deep Geologic Repository**” or “**DGR**” means deep rock vaults excavated at depths below ground surface, capable of permanently accommodating L&ILW including Decommissioning Waste exclusively derived from nuclear generating facilities and associated facilities located in the Province of Ontario and is synonymous with a facility for deep geological disposal of L&ILW;
- (k) “**IAR**” means the Final Report on Independent Assessment of Long-Term Management Options for Low and Intermediate Level Wastes at OPG’s Western Waste Management Facility, prepared by Golder Associates Ltd., Revision 3, February 2004;
- (l) “**Inflation Rate**” means the rate of change in CPI (Ontario) in one year compared to CPI (Ontario) for the previous year expressed as a percentage. For example, if the consumer price index was 105 for one year and 107 for the next year, the Inflation Rate for that next year would equal 1.90% $[(107-105)/105 \times 100]$;

- (m) **"Interest"** means 3.25% plus the Inflation Rate compounded annually;
- (n) **"Low and Intermediate Level Waste" or "L&ILW"** means material containing nuclides emitting alpha, beta or gamma radiation, in concentrations or quantities that exceed any federal or provincial laws, policies, guidelines, orders, directives, certifications, approvals and licences for unrestricted release to the environment, other than irradiated fuel and refers to L&ILW:
- derived from the operation or decommissioning of CNSC licensed facilities owned by OPG or its subsidiaries as of the execution of this Agreement on the Bruce, Darlington and Pickering nuclear sites;
 - produced by or stored at facilities in Ontario associated with the operation of the Bruce, Darlington or Pickering nuclear generating stations;
 - stored by OPG at the WWMF;
 - stored at the Radioactive Waste Operations Site #1 in Kincardine;
 - stored at the research laboratories located at 800 Kipling Avenue (Toronto);
 - derived from new nuclear generation facilities described in SECTION 5; and
 - any other L&ILW which the Parties agree by amendment to include in this Agreement;
- (o) **"Notice"** means any notice, required or permitted to be given under this Agreement and **"Notify"** has a similar meaning;
- (p) **"Parties"** means Kincardine and OPG and **"Party"** means either Kincardine or OPG, depending upon the context;
- (q) **"PVPP"** means the Property Value Protection Plan as set out in SECTION 7;
- (r) **"Section"** means a section including all subsections of this Agreement;
- (s) **"Schedule A"** to this Agreement lists the schedule of payments from OPG to the Municipalities from 2005 through 2034 inclusive with listed sharing by Kincardine and the Adjacent Municipalities;
- (t) **"WWMF"** means the facility located in Kincardine and currently licensed by the CNSC.

1.2 Method of Payment

Amounts to be paid under this Agreement are to be paid in Canadian Dollars or, for greater certainty, the lawful currency of Canada.

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 of October 2004.

Blair R. Linton *K. J. Sweeney*

1.3 Including

The term "including" means including without limitation and the term "include," "includes," and "included" have similar meanings.

SECTION 2 TERM AND TERMINATION

2.1 Term.

This Agreement is effective as of the 13th day of October, 2004.

With respect to the provisions relating to Decommissioning Waste from the Bruce, Darlington and Pickering nuclear generating stations and CNSC licensed facilities associated with the operation of such stations, this Agreement shall continue until such time as the WWMF including the DGR is no longer needed for long-term management of such waste. With respect to L&ILW other than Decommissioning Waste, this Agreement shall continue up to and including the 31st day of December 2035, unless this Agreement terminates earlier as provided herein, or in the event that the DGR continues to receive such waste, the terms of this Agreement, including payment obligations, will be extended and continued in full force until the Parties negotiate an amended or alternative agreement.

2.2 Termination.

Notwithstanding anything to the contrary, herein,

- (a) Subject to the Notice required in this Section 2.2(a), this Agreement shall terminate immediately with no further obligation on either of the Parties if the Community Consultation is not completed by February 28, 2005 or such other date as is agreed to by the Parties, or if completed by then, the Community Consultation is not acceptable for any reason to either or both of the Parties. If either Party determines that the Community Consultation is not acceptable then it shall give the other Party Notice of that decision within forty-five (45) days of February 28, 2005.
- (b) This Agreement shall terminate immediately with no further obligation on either Party and any funds held by OPG, in trust in a separate bank account, to be applied in accordance with this Agreement, shall be immediately returned to OPG, including any accumulated Interest, if the DGR cannot be advanced, constructed, or there is no reasonable prospect thereof, because of events outside of the reasonable or actual control of the Parties. For example, such an event shall include denial by the CNSC or other competent authority of a required licence for such construction or the conditions associated with obtaining any such licence are unreasonable or unduly onerous as determined by OPG. The issues of whether the DGR can be advanced, constructed, or there is no reasonable prospect thereof, due to events outside the control of the Parties, may be submitted to arbitration in accordance with this Agreement.

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Blair R. Sutton *R. P. Smith*

Blair L. Smith
Clerk
M. J. P. Smith
Deputy

SECTION 3 COMMUNITY CONSULTATION

3.1 Community Consultation.

- (a) Kincardine shall conduct and complete a Community Consultation agreeable to the Parties no later than February 28, 2005 or such other date as is agreed to by the Parties.
- (b) The question asked in the Community Consultation shall be clear, concise, neutral and capable of being answered affirmatively or negatively by a yes or no.

SECTION 4 PAYMENTS

4.1 OPG Fees Payable to Kincardine and Adjacent Municipalities.

OPG shall pay fees by way of lump sums, and annual payments to Kincardine and the Adjacent Municipalities in accordance with the following terms and conditions and in the amounts set out in Schedule A:

- (1) Lump sum payments:
 - (A) By June 30th, 2005 and provided that OPG is satisfied that the Community Consultation represents a clear mandate from the population of Kincardine to Kincardine Council in favour of the DGR, OPG shall pay to Kincardine and the Adjacent Municipalities the sum of 2.1 million dollars for future undetermined community projects. The sum shall be paid by OPG to Kincardine and the Adjacent Municipalities in accordance with Schedule A to this Agreement in the amounts stipulated in the "one-time payment" column assigned to each of the municipalities for the year 2005. Further, OPG shall make a separate one-time lump sum payment to only Kincardine in the sum of 1.6 million dollars.
 - (B) The amounts paid to Kincardine and the Adjacent Municipalities shall be adjusted for the Inflation Rate from the date the Agreement is executed to the date the payment is made.
 - (C) A further 2.1 million dollars shall be paid by OPG to Kincardine and the Adjacent Municipalities within ninety (90) days of the CNSC granting DGR construction licence approval to OPG, determined to be acceptable to OPG acting reasonably and provided OPG is satisfied there are no other approvals required to construct the DGR and that there is no legal challenge to the issuance of such construction licence for which OPG has received notice in writing, which could prevent OPG from proceeding with construction or operation of the DGR, all of which issues may be submitted to arbitration. Subject to the foregoing, OPG shall provide written notice to Kincardine of its determination within ninety (90) days of receipt from the CNSC of such licence. The said 2.1 million dollars

shall be paid by OPG to Kincardine and the Adjacent Municipalities in amounts set out in accordance with Schedule A to this Agreement in the amounts stipulated under the "one-time payment" column assigned to each of Kincardine or the Adjacent Municipalities for the year 2013 which is the general time frame anticipated for receipt of such licence and which is not intended to be a commitment of the time for payment. OPG may, in its sole discretion, acting reasonably, decline to make such lump sum payment to any or all of the municipalities, should any of such municipalities have failed to exercise best efforts to support the construction of DGR in which case the affected municipality will not have any right to receive or recover that payment. Kincardine has the right to submit the issues of whether it has exercised best efforts to support DGR construction and is thereby entitled to its one-time lump sum payment to arbitration in accordance with this Agreement. OPG shall pay half of any lump sum payment not paid to an Adjacent Municipality under this Section to local community projects and/or local charities agreeable to both OPG and Kincardine.

- (D) The amounts paid to Kincardine and the Adjacent Municipalities shall be adjusted for the Inflation Rate from the date the Agreement is executed to the date the payment is made.

(2) Annual Payments:

- (A) Subject to the terms hereof, commencing in 2005, OPG shall pay to Kincardine and the Adjacent Municipalities on or before December 31st of each year, the sum of 1.05 million dollars. This annual sum shall be paid by OPG to Kincardine and the Adjacent Municipalities in accordance with Schedule A to this Agreement in the amounts set out in Schedule A stipulated under the column headed "annual" payment which are assigned for each year to each of Kincardine and the Adjacent Municipalities.


- (B) The amounts paid to Kincardine and the Adjacent Municipalities shall be adjusted for the Inflation Rate from the date the Agreement is executed to the date the payment is made.

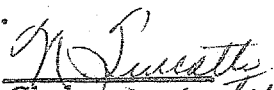
(3) Milestones and their Impact on Payments:

- (A) The Parties acknowledge that a reasonable time-frame for the achievement of the following milestones is:

- (i) 2007 – Issuance of the necessary terms of reference or guidelines for the preparation of the environmental assessment undertaken under the *Canadian Environmental Assessment Act* as amended, consolidated, supplemented, or replaced from time to time.


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Mayor


Clerk

- (ii) **2010** – Approval of the environmental assessment undertaken under the *Canadian Environmental Assessment Act* as amended, consolidated, supplemented, or replaced from time to time.
 - (iii) **2013** – Approval of the licence to construct the DGR under the *Canadian Nuclear Safety & Control Act* as amended, consolidated, supplemented, or replaced from time to time.
 - (iv) **2017** – Approval of the licence to operate the DGR under the *Canadian Nuclear Safety & Control Act* as amended, consolidated, supplemented, or replaced from time to time.
- (B) The Parties shall, in good faith, exercise their best efforts to achieve these milestones. Without limiting the generality of the foregoing and in accordance with any legal responsibilities either Party may have, the Parties shall provide their cooperation in support of the environmental approvals and licensing applications sought as well as any other approvals or licences required to construct or operate the DGR. Further, Kincardine shall give due consideration to providing OPG with all approvals within its jurisdiction to grant in order to permit the construction and operation of the DGR and will expeditiously process applications in this regard. Kincardine shall also respond in a timely fashion to all requests by the CNSC, or other competent authority, for information and make appearances at all CNSC hearings relating to DGR. OPG shall process its applications for the requisite regulatory approvals with due diligence.
- (C) Notwithstanding anything to the contrary in this SECTION 4 if at any time OPG determines that the Adjacent Municipalities are not, in good faith, exercising best efforts to achieve any of these milestones, OPG may, in its sole discretion, acting reasonably, decline to make further annual payments or any further one-time lump sum payments set out in Schedule A for any or all of the aforementioned municipalities, as the case may be, which OPG has determined is failing to exercise best efforts, in which case the affected municipality will not have any right to receive or recover that payment. OPG shall pay half of any annual or one-time lump sum payment not paid to the affected municipality to local community projects and/or local charities agreeable to both OPG and Kincardine.
- (D) Notwithstanding anything to the contrary in this SECTION 4, if, at any time, OPG determines in its sole discretion, acting reasonably, that Kincardine is not, in good faith, exercising best efforts to achieve any of these milestones, OPG may in its sole discretion, acting reasonably, make further one-time lump sum payments or any further annual payments set out in Schedule A for Kincardine, in which case Kincardine will not have any right to receive or recover such payment, subject to Kincardine's right to demand that the issue

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Mayor


Clerk

of whether Kincardine is exercising best efforts to support any such milestones be submitted to an Arbitrator in accordance with the arbitration SECTION 10 of this Agreement. OPG shall Notify Kincardine of its decision not to make such payments. If the Parties are not able to resolve the dispute within thirty (30) days of such Notice or such longer period as agreed to, the dispute shall be submitted to arbitration in accordance with SECTION 10.

- (E) Should any of the milestones cited above not be achieved by the end of the year following the year in which they are anticipated to occur and Sections 4.1(1)(C), 4.1(3)(C) or (D) do not apply, the annual payment for each of Kincardine and the Adjacent Municipalities due for that year and any year thereafter until the milestone is met, as provided for in Schedule A, shall be held by OPG in trust in a separate bank account to be applied in accordance with this Agreement. OPG shall not use such funds for any purpose other than those stipulated in this Agreement.
- (F) Upon the reaching of the missed milestone the money then held in trust under this Section shall be paid to Kincardine and the Adjacent Municipalities in accordance with Schedule A.
- (G) Aside from the failure of Kincardine and/or the Adjacent Municipalities to exercise best efforts, which shall be governed by Section 4.1(1)(C), 4.1(3)(C) or (D) if, for any other reason, the milestone for licence approval of DGR operation is not reached in 2017, the Parties shall endeavour to Amend this Agreement to account for this missed milestone and any others outstanding and, in particular, the Parties shall address in the Amended Agreement the manner in which the money held in trust in accordance with this Section, is to be distributed, whether the annual payments to Kincardine and the Adjacent Municipalities as provided for in Schedule A should continue to be required, or whether some reduced sum should be substituted for that amount. If an Amendment satisfactory to the Parties is not reached by June 30th 2018, and the 2017 milestone and any others, as the case may be, has (have) still yet to be achieved, the Parties shall thereupon immediately submit the issue of a suitable Amendment of the Agreement to accommodate the missed milestone(s) to binding arbitration in accordance with the arbitration SECTION 10 of this Agreement.
- (H) In determining a suitable Amendment to the Agreement, including whether money held in trust in accordance with this Section should be returned to OPG and whether OPG should be required to make any further annual payments to Kincardine or the Adjacent Municipalities following the missed milestone(s), the Parties or the Arbitrator, as the case may be, shall consider the following:

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of October 2004.

Glen R. Smith
Mayor

R. Puente
Clerk

- (i) ***The reason for the failure to reach the milestone.*** For greater certainty, if, for example, the reason for failing to reach the milestone has, in whole or in part, been caused by the conduct of Kincardine or the Adjacent Municipalities, that conduct and any other facts or circumstances attributed to Kincardine and/or the Adjacent Municipalities should weigh in favour of irrevocably returning some or all of the money held in trust to OPG and eliminating or reducing any obligation to make further annual payments, depending upon the extent to which the conduct or other attributed facts or circumstances contributed to the missed milestone. Conversely, if the reason for the missed milestone involves, in whole or in part, OPG's failure to exercise best efforts to meet the requisite approval requirements, depending upon the extent to which OPG's failure contributed to the missed milestone, such failure should weigh in favour of releasing all or part of the money held in trust to Kincardine and the Adjacent Municipalities and retaining all or part of the obligation to make the remaining annual payments under the Agreement.
- (I) Notwithstanding CNSC licence approval to operate the DGR in 2017, should the DGR not be in service by 2018, or should OPG for any reason be prevented from operating the DGR at any time after 2018, annual payments to be made for the calendar year following 2018, or the year in which OPG was prevented from operating the DGR, as the case may be, shall be held by OPG in trust in a separate bank account to be applied in accordance with this Agreement. OPG shall not use the said money for any purpose other than those stipulated in this Agreement. The Parties shall endeavour to amend the Agreement to provide for the manner in which the money held in trust will be distributed, whether the annual payments to Kincardine and the Adjacent Municipalities as provided for in Schedule A should continue to be required, or whether some reduced sum should be substituted for that amount. If an Amendment cannot be reached within a year of the failure of the DGR to commence to operate, or cease to operate as the case may be, the Parties shall immediately thereafter submit the Amendment of the Agreement to binding arbitration in accordance with SECTION 10 of this Agreement. In determining how the Agreement should be Amended, the Parties or the Arbitrator, as the case may be, shall consider:

- (i) The reason for the failure to commence or continue the operation of the DGR. For greater certainty, the extent to which any of these results from either Party, not supporting DGR shall be the determinative factor in releasing OPG from any further financial obligations in the case of Kincardine withdrawing support for the facility, or in continuing such obligations in the case of OPG's abandonment of DGR.

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of October 2004.

Blanche Latta
Mayor

M. Purcell
Clerk

This is Schedule "A" to By-Law
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of October 2004.

Glen R. Smith
Mayor

A. Puente
Clerk

- (J) If OPG determines that the Adjacent Municipalities are not, in good faith, exercising best efforts to support the operation of the DGR and the failure of one or more of them has contributed to the failure of the DGR to commence operation despite CNSC licence approval or the failure of the DGR to continue operation thereafter, OPG may, in its discretion, decline to make the annual payment set out in Schedule A for any or all of the said municipalities, as the case may be, which OPG has determined is failing to exercise best efforts in which case the affected municipality will not have any right to receive or recover that payment. OPG shall pay half of any annual payment not paid to the affected municipality to local community projects and/or local charities agreeable to both OPG and Kincardine.
- (K) When monies held in trust in accordance with this Agreement are released to Kincardine and the Adjacent Municipalities pursuant to this Agreement, the Interest shall accrue on any such monies from the time that the money was placed in trust and such accrued interest shall be payable to the municipalities at the time the money in trust is released to the municipalities.

4.2 Continuing Waste Management Rights

Nothing in this Agreement shall be construed as limiting, in any manner, OPG's right, and that of any relevant subsidiary, to continue to store L&ILW, including Decommissioning Waste, at the WWMF and the Radioactive Waste Operations Site #1 in Kincardine and to further bring onto the WWMF L&ILW, including Decommissioning Waste derived from the Bruce, Darlington or Pickering nuclear generation stations and any CNSC licensed facilities associated with the operation of those stations, owned or operated by OPG as of the time of the execution of this Agreement, whether or not such facilities or any of the reactors in such stations are in service as of such date. Nevertheless, if the Agreement is terminated or DGR does not advance, the Parties agree to negotiate a new agreement to address the storage of such L&ILW.

SECTION 5 L&ILW DERIVED FROM NEW NUCLEAR GENERATION FACILITIES

5.1 Waste from New Facilities.

OPG is entitled to use the DGR for L&ILW including Decommissioning Waste, derived from nuclear generating stations located in the Province of Ontario, in addition to the 20 nuclear reactors units and associated facilities which are, as of the date of the execution of this Agreement, at the Darlington, Bruce and Pickering nuclear generation stations. Kincardine and the Adjacent Municipalities are collectively entitled to a fee for waste from any such additional reactors. The Parties shall amend the Agreement in the event that such L&ILW derived from new nuclear generation is to be accommodated in the DGR to provide a Community fee payable by OPG to Kincardine and the Adjacent Municipalities, calculated in accordance with Section 5.2.

5.2 Calculation of The Community Fee.

Kincardine and the Adjacent Municipalities are entitled, in such an Amended Agreement, to one-time lump sum and annual payments made during the in-service life of the new nuclear generation

facilities. The calculation of the payments and the manner of payment shall be as follows:

- (1) For each new nuclear generation unit, a lump sum payment equal to one twentieth of the payments stipulated in the "One-Time Payment" column assigned to each of Kincardine and the Adjacent Municipality shall be made to each municipality on the in-service date of each new generation unit. Such payment shall be adjusted for the Inflation Rate as of the year this Agreement is executed.
- (2) For each new nuclear generation unit the annual payment to each of Kincardine and the Adjacent Municipalities shall be one twentieth of the amount assigned to each under the column "Annual" in Schedule A. The full annual payment shall be adjusted for the Inflation Rate as of the year that this Agreement is executed and shall continue to be paid for the in-service life of the unit.
- (3) OPG may, in its sole discretion, acting reasonably, decline to make the increased payments provided for in this Section 5.2(1) and (2) to any of the Adjacent Municipalities should OPG determine that any or all of the said municipalities, as the case may be, is not, in good faith, exercising best efforts to support the receipt of the L&ILW including Decommissioning Waste derived from new nuclear generation stations and associated facilities. OPG shall pay half of any one-time lump sum payment or annual payment not paid to an Adjacent Municipality under this Section to local community projects and/or charities agreeable to both OPG and Kincardine;
- (4) With respect to Kincardine's share of the increased payments provided for in this Section 5.2(1) and (2), OPG may in its discretion, withhold those payments, should OPG determine that Kincardine is not in good faith, exercising best efforts to support the receipt of the L&ILW including Decommissioning Waste derived from new nuclear generation stations and associated facilities, subject to Kincardine's right to demand that the issue of whether Kincardine is exercising best efforts to support such receipt, be submitted to an Arbitrator in accordance with the arbitration SECTION 10 of this Agreement.

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Glenn R. Sutton
Mayor

R. P. Sutton
Clerk

SECTION 6 MUNICIPAL TAXES AND ADDITIONAL FEES

6.1 Municipal Taxes.

For tax purposes, Kincardine and OPG will support the assessment of the value of the DGR on a basis equivalent to that on which Municipal Property Assessment Corporation assesses the value of the commercial waste storage facilities at the WWMF as of the date of this Agreement and will collect taxes on the basis of that assessment. Both parties agree to undertake a joint review of the assessment methodologies and assumptions to be utilized in this undertaking. If the method of assessment of the DGR requires any change to the *Assessment Act (Ontario)*, the *Municipal Act (Ontario)* or any other legislation, Kincardine and OPG will seek to have the legislation changed, to fix the assessed value of the DGR using this method of assessment, and Kincardine will cooperate with OPG to effect the necessary changes. Kincardine constitutes OPG as trustee for OPG Waste

Inc. and any other legal entities which own the lands upon which the DGR is to be constructed, of the benefits of this section and acknowledges that OPG may enforce such benefits on behalf of OPG Waste Inc., or any such other legal entity.

6.2 Building Permits.

OPG will continue to make payments to Kincardine in lieu of the cost of building permits for both the WWMF and the DGR, such payments not to exceed the building permit fee that would otherwise apply for the applicable facility as provided for in the applicable general fee schedule.

SECTION 7 PROPERTY VALUE PROTECTION PLAN

7.1 The Plan.

The IAR concluded in early 2004 that DGR is technically feasible, safe and would ultimately have no significant adverse environmental effects. Nevertheless, OPG shall have a PVPP to compensate property owners for the actual economic losses suffered, or that would be suffered, as a result of the diminution of property values.

Upon OPG receiving approval from the CNSC to operate the DGR, OPG shall have in place a PVPP ready to provide compensation to property owners for any such actual economic losses suffered when the following conditions have been met:

- (1) Proof of Causation
 - (A) The diminution of property value is occasioned by contamination resulting from radioactivity at the DGR site or beyond the site's boundaries, caused by the operation of DGR.
- (2) The Minimum Qualification Requirements – Time and Place
 - (A) The diminution of property values occurs at any time during the period from the day that licensing approval to operate the DGR is granted up to and including the first anniversary following the day upon which information disclosing contamination for which a claim may be brought by a property owner would have first come to the attention of such property owner and the claim is brought within twelve (12) months of such date and in no event shall any such claim be brought after a licence to abandon the DGR is obtained from the CNSC.
 - (B) Diminution of property value, demonstrated in accordance with this SECTION 7 for property located within an eight (8) kilometre radius from the centre of the DGR is a prerequisite to a valid claim under PVPP. Once this prerequisite is met other property owners within Kincardine and the Adjacent Municipalities who can demonstrate actual loss occasioned by diminution of property value in accordance with this SECTION 7 are qualified to apply under PVPP.

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of October 2004.

Glen R. Sutton
Mayor

K. J. J. J.
Clerk

(3) The Minimum Application Requirements

- (A) *Proof of causation* All compensation claims must contain sufficient detail to allow OPG and any independent assessor it may retain to verify whether the diminution in value claimed has been caused by the operation of the DGR during the period of time and within the relevant location required under this SECTION 7.
- (B) *Proof of the Amount of Diminution in Value* All compensation claims must contain sufficient detail to allow OPG and any independent assessor it may retain to verify the alleged diminution in value. The claim must include sufficient information on how the claimant arrived at the fair market value of the property and the basis upon which the claimant contends that the value has been diminished by the amount claimed. Claims of less than \$5,000 adjusted for Inflation, as of the execution of this Agreement, are ineligible under PVPP. In no event shall the amounts paid out on any claim exceed the market value price of the property but for the diminution in value meeting the conditions under this Section.
- (C) *Confirmation by Qualified Assessor* All compensation claims must be confirmed in writing by a qualified local realtor or appraiser.
- (D) *Proof of Title* All compensation claims, must be accompanied by supporting documentation establishing the claimant's legal ownership of property within Kincardine and the Adjacent Municipalities and within the period of time stipulated in this provision.

(4) The Claimants Remedies.

- (A) OPG, at its discretion, may choose to pay the compensation claimed, a lesser amount which it believes is the true diminution in value, deny the claim, or offer to purchase the property for either the amount claimed or the lesser amount which reflects the value of the property.
- (B) If the claimant and OPG do not agree on the appropriate remedy, the matter shall proceed to arbitration in accordance with the arbitration procedure in this Agreement with such modifications as are necessary to have such procedure apply to the claimants.
- (C) OPG shall have received a signed, full and final release from the property owner as a condition precedent to a payment under the PVPP.

SECTION 8 NUCLEAR WASTE MANAGEMENT JOBS

8.1 Staffing.

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of October 2004.

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- (a) Staffing of the DGR shall be conducted in accordance with an OPG human resources plan.
- (b) Full time OPG employees at the DGR shall be governed by the collective bargaining agreements to which OPG is a party, where applicable.
- (c) Beyond the day-to-day DGR construction and operation jobs which, by their nature are located at the WWMF in Kincardine, new full time OPG employees hired exclusively for DGR shall be located at the WWMF.
- (d) For greater certainty, jobs existing as of the time of execution of this Agreement are not subject to relocation to WWMF.

SECTION 9 SUPPORTING A CENTRE OF ENERGY EXCELLENCE: TOURS, VOCATIONAL SCHOOLS

9.1 Educational Tours.

Subject to compliance with all regulatory requirements and in particular and without limiting the foregoing, regulations, guidelines, standards and licensing conditions relating to security and radiation protection, the Parties shall accommodate local and international tours of the DGR facility in support of education.

9.2 Vocational Schools.

The Parties recognize that trades vocational schools within the municipalities are a means of further increasing Kincardine and the Adjacent Municipalities' educational opportunities and presence as a centre of energy excellence and support this concept.

9.3 Centre of Energy Excellence

OPG and Kincardine agree to each use commercially reasonable efforts to support the concept of a centre of energy excellence.

SECTION 10 ARBITRATION

10.1 Disputes Referred to Arbitration.

Any matter referred to arbitration under this Agreement shall be governed by the *Arbitration Act, 1991 (Ontario)*.

10.2 Notice of Arbitration and Appointment of Arbitrator.

Should either of the Parties submit an issue to arbitration, the Party shall give fifteen (15) Business Days Notice to the other Party. If the Parties fail to appoint an Arbitrator within fifteen (15) Business Days of the expiry of the Notice of arbitration, a Party may apply to a judge of the Superior Court of Justice of Ontario, on Notice to the other Party, for the appointment of the Arbitrator.

This is Schedule "A" to By-Law
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of October 2004.

Glanville Sutton
Mayor

M. Pucette
Clerk

10.3 Powers of Arbitrator.

The Arbitrator may determine all questions of law, fact and jurisdiction regarding the arbitration (including questions as to whether the matter at issue is arbitrable) and all matters of procedure relating to the arbitration. The Arbitrator may grant legal and equitable relief (including injunctive relief), award costs (including legal fees and the costs of the arbitration) and award Interest. Without limiting the generality of the foregoing or the Arbitrator's jurisdiction at law, the Arbitrator may:

- (1) determine any question of good faith, dishonesty or fraud arising in the matter at issue
- (2) order either Party to furnish further details of that Party's case, in fact or in law;
- (3) proceed in the arbitration notwithstanding the failure or refusal of either Party to comply with this Section 10.3(3) or with the Arbitrator's orders or directions, or to attend any meeting or hearing, but only after giving that party Notice that the Arbitrator intends to do so;
- (4) receive and take into account written or oral evidence tendered by the Parties that the Arbitrator determines is relevant, whether or not strictly admissible in law;
- (5) make interlocutory determinations or interim orders or awards;
- (6) hold meetings and hearings and make a decision (including a final decision) in Kincardine (or elsewhere with the concurrence of the Parties); and
- (7) order the Party to provide to the Arbitrator, and to the opposing Party for inspection, and to supply copies of, any documents or classes of documents in its possession or control that the Arbitrator determines to be relevant;

10.4 Arbitration Procedure.

The arbitration will take place in Kincardine at such place and time as the Arbitrator may fix. The arbitration will be conducted in English. Within 10 Business Days of the appointment of the Arbitrator, the Parties will either agree on the procedure to be followed for the arbitration or the Arbitrator will determine the appropriate procedure, in accordance with the principles of natural justice, to be followed. The Parties will keep confidential and not disclose to any other person, the arbitration and all matters arising directly or indirectly from the matter(s) at issue (including all documents exchanged, the evidence and the award), except as set out in this Section 10.4. A Party may disclose any such information to the extent required:

- (1) to obtain assistance from persons to conduct the matters under arbitration;
- (2) by law or securities exchange rules; or
- (3) by a disclosure requirement with a shareholder, lender or potential lender (including any advisor to any such recipient person), so long as such person is

informed of the confidential nature of such information and such person agrees to be bound, subject to law, by such confidentiality obligation.

10.5 Arbitrator's Decision.

No later than 20 Business Days after hearing the representations and evidence of the Parties, the Arbitrator will make the Arbitrator's determination in writing, with reasons, and deliver one copy to each of the Parties. The Arbitrator may only interpret and apply the terms of this Agreement and, except as expressly permitted, may not change this Agreement in any manner. The decision of the Arbitrator will be final and binding upon the Parties regarding all matters relating to the arbitration, the conduct of the Parties during the proceedings and the final determination of the matter at issue.

10.6 No Appeal and Enforcement.

Subject to section 44 of the *Arbitration Act, 1991 (Ontario)*, the Parties may not appeal from the determination of the Arbitrator to any court. The Parties may enter any judgment upon any award rendered by the Arbitrator in any court having jurisdiction.

10.7 Costs of Arbitration.

Subject to the terms of this Agreement, the Parties will bear the costs of any arbitration in the manner specified by the Arbitrator. Subject to the terms of this Agreement, if the Arbitrator does not specify the costs, each Party will bear its own costs and will share the costs of the Arbitrator equally.

SECTION 11 COMPENSATION FOR COMMUNITY CONSULTATION & LEGAL SERVICES

11.1 OPG to Compensate Kincardine.

OPG will compensate Kincardine for all reasonable expenses agreed in advance that are incurred in holding the Community Consultation in SECTION 3 engaging consultants or peer reviewers and with respect to legal services, such services as are required in connection with this Agreement up to and including December 31st, 2005. Additional financial support thereafter shall be mutually agreed to by both Parties.

SECTION 12 GENERAL TERMS AND CONDITIONS


12.1 Entire Agreement.

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement, constitute[s] the entire agreement between the Parties with respect to the subject matter and supersede[s] all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.

12.2 Schedules:

The following Schedules are attached to and form part of this Agreement:

This is Schedule "A" to By-Law
No. 2004-157 passed the 13th day
of October 2004.


Mayor


Clerk

Glen H. Latta Mayor
M. Pincette Clerk

- (1) Schedule A Municipal Sharing Schedule of one-time and annual payments to be made by OPG to Kincardine and the Adjacent Municipalities from 2005 to 2035 inclusive.

12.3 Notice:

Every Notice required or permitted under this Agreement must be in writing and may be delivered in person, by courier or by fax to the applicable Party, as follow:

<p>if to OPG,</p> <p>Ontario Power Generation Inc. 700 University Avenue, H16 Toronto, Ontario M5G 1X6</p> <p>Attention: Vice-President, Nuclear Waste Management Division</p> <p>Fax: 416-592-7051</p> <p>Copy To: Vice-President Law and General Counsel</p> <p>Fax: 416-592-1466</p>	<p>if to Kincardine,</p> <p>Municipality of Kincardine Municipal Administration Centre 1475 Concession 5, R.R.#5 Kincardine, Ontario N2Z 2X6</p> <p>Attention: Chief Administrative Officer of Municipality</p> <p>Fax: 519-396-8288</p>
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or to any other address, fax number or individual that a party designates by Notice. Any Notice under this Agreement, if delivered personally or by courier will be deemed to have been given when actually received, if delivered by fax before 3:00 p.m. on a Business Day will be deemed to have been delivered on that Business Day and if delivered by fax after 3:00 p.m. on a Business Day or on a day which is not a Business Day will be deemed to be delivered on the next Business Day.

12.4 Amendments:

Except as expressly provided in this Agreement, no amendment, supplement, restatement or termination of this Agreement in whole or in part is binding unless it is in writing and signed by each Party.

12.5 Waivers:

No waiver of any term of this Agreement is binding unless it is in writing and signed by all the Parties entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any term of this Agreement will be deemed to be a waiver of any subsequent breach of that term.

12.6 Further Assurances:

Each of the Parties will, from time to time and promptly upon request, sign and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the terms

of this Agreement and to complete the transactions contemplated by this Agreement.

12.7 Jurisdiction and Governing Law:

Except as otherwise expressly provided in this Agreement, each of the Parties irrevocably submits to the exclusive jurisdiction of the courts of Ontario. This Agreement and any arbitration conducted under this Agreement, are governed by and are to be construed and interpreted in accordance with the laws of Ontario and the laws of Canada applicable in Ontario.

12.8 Liability:

The Parties acknowledge that the precise amount of actual damages, loss, expense, or claims, would be extremely difficult to calculate and that the compensation provisions in this Agreement coupled with the adjustment mechanism of Amendment and if necessary, binding arbitration, represent a reasonable, genuine and comprehensive pre-estimate of the actual damages which may be reasonably incurred and are not a penalty. The Parties therefore release each other, their council members, directors, officers, shareholders, employees, agents and representatives, as the case may be, from all claims, damages, losses, liabilities and expenses of any nature whatsoever arising in respect of this Agreement, aside from such claims as are brought for compensation under the specific terms of this Agreement.

12.9 Survival:

The obligations set out under the Property Value Protection Plan (PVPP) will survive the termination or expiration of this Agreement up until such time as the licence to abandon the DGR is obtained from the CNSC.

12.10 Assignment and Benefit:

This Agreement enures to the benefit of and binds the Parties and their respective successors and assigns. Each Party shall be entitled to thirty (30) Business Days Notice of an assignment by the other Party. Upon an assignment, no amount shall be required to be paid nor any other term imposed. On the agreement of the assignee to assume the obligations of the assignor under this Agreement, the assignor will, without the necessity of any other documentation, be released from all its obligations under this Agreement.

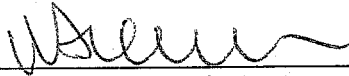
This is Schedule "A" to By-Law
No. ²⁰⁰⁴157 passed the 13th day
of October 2004.

Glen R. Sutt
Mayor

K. Purcotto
Clerk Deputy

IN WITNESS WHEREOF the parties have affixed their signatures as of the year and date first above written.

ONTARIO POWER GENERATION INC.




Name: Richard Dicerni
Title: President and Chief Executive Officer
(Acting)

I have authority to bind the corporation



Name: Ken Nash
Title: Vice President
Nuclear Waste Management Division

**THE CORPORATION OF THE
MUNICIPALITY OF KINCARDINE**



Name: Glenn Sutton
Title: Mayor

I have authority to bind the corporation



Name: John deRosenroll
Title: Chief Administrative Officer

This is Schedule "A" to By-Law
No. ²⁰⁰⁴⁻¹⁵⁷ passed the 13th day
of October 2004.


Mayor


Clerk

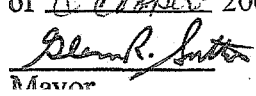

SCHEDULE "A"
 DATED October 13, 2004
 - BETWEEN -

**ONTARIO POWER GENERATION INC. AND THE CORPORATION OF THE
 MUNICIPALITY OF KINCARDINE
 MUNICIPAL SHARING SCHEDULE**

Expressed in thousands of dollars. Sharing below is in constant dollars but actual payments will be indexed to Inflation Rate.

Year	Kincardine		Saugeen Shores		Huron Kinloss		Arran-Elderslie		Brockton	
	One Time Payment	Annual Payment	One Time Payment	Annual Payment	One Time Payment	Annual Payment	One Time Payment	Annual Payment	One Time Payment	Annual Payment
2005	1,300	650	500	250	140	70	80	40	80	40
2006		650		250		70		40		40
2007		650		250		70		40		40
2008		650		250		70		40		40
2009		650		250		70		40		40
2010		650		250		70		40		40
2011		650		250		70		40		40
2012		650		250		70		40		40
2013	1,300	650	500	250	140	70	80	40	80	40
2014		650		250		70		40		40
2015		650		250		70		40		40
2016		650		250		70		40		40
2017		650		250		70		40		40
2018		650		250		70		40		40
2019		650		250		70		40		40
2020		650		250		70		40		40
2021		650		250		70		40		40
2022		650		250		70		40		40
2023		650		250		70		40		40
2024		650		250		70		40		40
2025		650		250		70		40		40
2026		650		250		70		40		40
2027		650		250		70		40		40
2028		650		250		70		40		40
2029		650		250		70		40		40
2030		650		250		70		40		40
2031		650		250		70		40		40
2032		650		250		70		40		40
2033		650		250		70		40		40
2034		650		250		70		40		40

Share Units	25	25	7	4	4
	This is Schedule "A" to By-Law No. 2004 Total 105 passed the <u>13th</u> day of <u>October</u> 2004.				

 Mayor
 Clerk

**The Decline of Local Revenues from Ontario's Electricity Infrastructure:
A Case Study of Bruce Nuclear, Bruce County, and the Municipality of Kincardine**

Prepared For:

THE CANADIAN ASSOCIATION OF NUCLEAR HOST COMMUNITIES (CANHC)

In partnership with

THE COUNTY OF BRUCE AND THE MUNICIPALITY OF KINCARDINE

Published On:

FRIDAY, MAY 9TH, 2025



Prepared and Published by:

Municipal Tax Equity (MTE) Consultants Inc.

Author and Primary Contact:

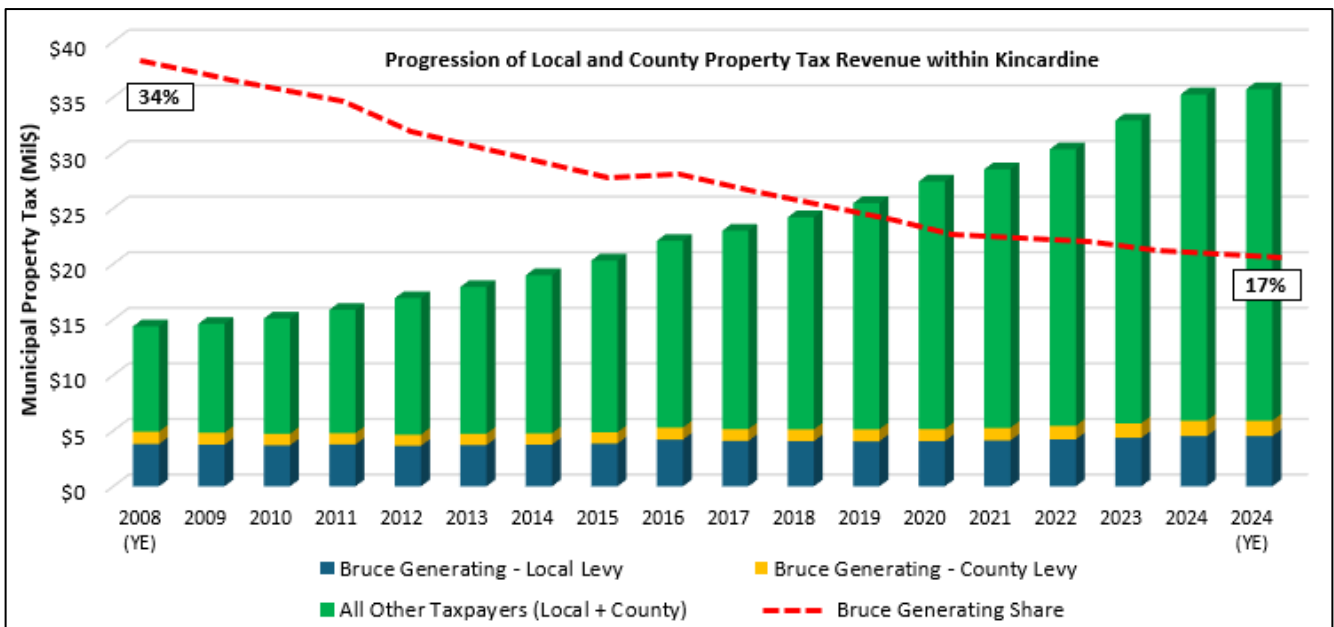
Peter Frise, VP Policy & Consulting Services

peterf@mte.ca

EXECUTIVE SUMMARY

Ontario is positioning itself as a global energy superpower, anchored by the continent’s largest expansion of non-emitting nuclear energy. As the Province prepares for a 75% increase in electricity demand by 2050 and ramps up exports of clean power and energy technologies, it must reconcile this ambition with the fiscal realities of the municipalities that host the infrastructure making it possible.

Host communities like Kincardine in Bruce County, home to the very facilities driving Ontario’s electrification future have struggled with the ongoing decline of contributions from these sites.



- Over our observation period, the property tax¹ contribution from Bruce Generating has remained virtually unchanged, despite significant increases in both County and local revenue requirements.
- As all increases have been borne by other taxpayers, Bruce Generating’s share of the total property tax revenue has dropped from 34% to 17%, a 50% decline in its relative contribution.

Core Driver of Decline

At the heart of the issue is the use of static, non-market valuation formulas for nuclear generating properties. Unlike other properties, which are reassessed to reflect current market conditions, key components of these properties remain tied to outdated formulas and indexing schemes that have failed to keep pace with Ontario’s broader market value assessment system.

This structural undervaluation and systemic disconnect has triggered significant and compounding shifts in the municipal burden away from electricity sector properties and onto other taxpayers undermining equity and eroding local revenue capacity.

Systemic Implications and Need for Reform

This case is not unique to Kincardine or Bruce County and it highlights a broader, systemic vulnerability facing municipalities that host critical energy infrastructure. Without reform, these burden shifts will persist—leaving local taxpayers to effectively subsidize the costs of electricity consumed in other municipalities, other provinces, and even customers outside Canada.

¹ “Property tax” is used here as a general term for all amounts levied as, or in lieu of, property tax.

INTRODUCTION, PURPOSE AND BACKGROUND

Bruce County is home to one of Canada's most important electricity generating facilities, the Bruce Nuclear Generating Station. Situated within the local municipality of Kincardine, the facility has historically served as a cornerstone of the local and County tax base. However, despite the continued operation and significant refurbishments, the relative financial contribution from these sites has diminished steadily over the past two decades.

This case study draws from a broader technical study of assessment and taxation trends related to the site, prepared by Municipal Tax Equity (MTE) Consultants. Using Kincardine and Bruce County as the lens, the analysis reveals how Ontario's current approach to valuing nuclear generating stations (and most other electricity infrastructure), systematically erodes the local revenue contributions made by these properties. In fact, we not only document that such erosion has occurred, but that under current regulatory protocols, such erosion is an engineered outcome when Unit Value Assessment and other non-market valuation methods are applied within a predominantly fluid, Market Value system.

Scope of the Review

This Case Study focuses on:

- Trends in the property tax contributions of the Bruce Generating from 2008 to 2024;
- The role of prescribed, non-market property assessment protocols in driving tax shifts;
- Impacts on the municipalities and other taxpayers within Kincardine and across the County; and
- Potential shift patterns if current protocols are not replaced with more responsive and dynamic approaches in the near future.

Neither the underlining analysis nor this Case Study attempts to revalue the property or prescribe an alternate model. Instead, our objective has been to isolate and quantify the fiscal implications of Ontario's current legislative and regulatory framework for the property assessment of nuclear facilities.

Approach and Analytical Framework

To fully understand the role and impact of these generating properties on the local revenue landscape over 17 taxation years and four reassessment cycles, our review looked well beyond their own property specific assessment values and tax bills.

To begin to understand how the prescribed valuation model has influenced the distribution of municipal tax burden over time, the analysis separately identified and controlled for:

- Reassessment dynamics
- Real growth within the broader tax base
- Shifting municipal revenue needs and inflationary levy pressures

By disentangling these individual elements, the analysis was able to clearly demonstrate the structural impact of prescribed valuation methods on the distribution of the municipal burden over the long-term.

PRESCRIBED PAYMENTS

Although not classified as traditional property taxes, the Bruce Nuclear Generating Station is subject to annual levies prescribed under Ontario’s Electricity Act that function in much the same way. These “prescribed payments” are calculated by applying tax rates to assessed values returned by the Municipal Property Assessment Corporation (MPAC).

The annual County portion is based on its own rates that apply on a County-wide basis. As a local municipality, Kincardine’s total prescribed payment is comprised of:

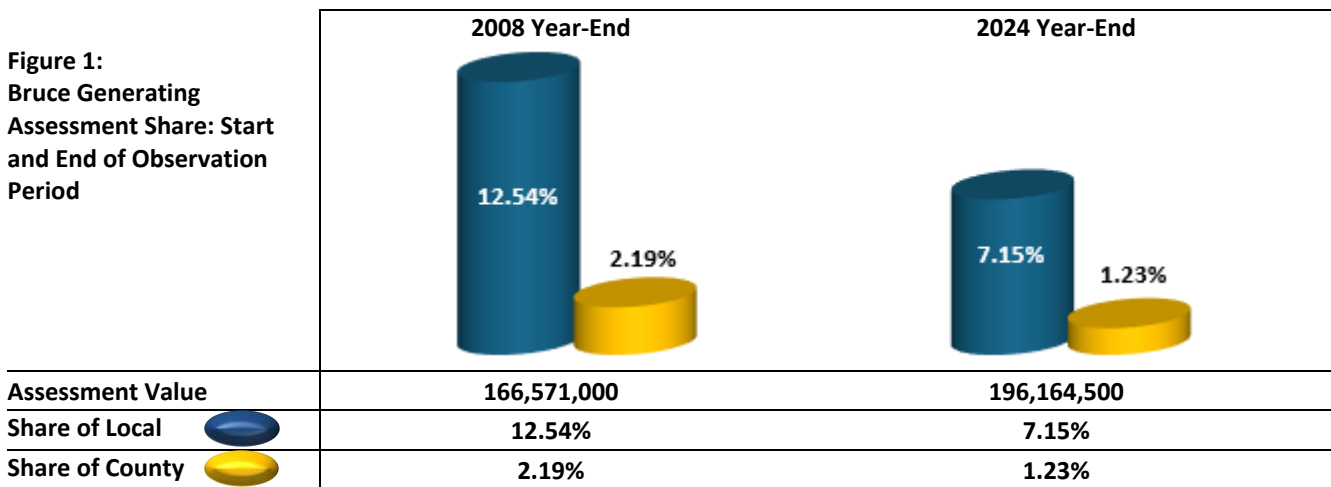
- The amount calculated using their own, locally set tax rates, and
- An amount that would otherwise be levied for school purposes if these were taxable properties, commonly known as “retained education payment”.

A SHRINKING SHARE

Municipal tax rates are set annually to reflect each municipality’s total revenue requirement and the total assessment base, including electricity sector properties, against which that requirement must be raised. Similarly, provincially set education tax rates are calculated province-wide using the same logic.

Without delving into the complexities of Ontario’s property tax system, the key implication is this: a property’s annual contribution is based on its relative, weighted share of the total assessment base. As such, it is the change in assessment share, not value, that will determine how each property’s relative contribution will change from year-to-year and over time.

Figure 1 below documents how proportional assessment share of the Bruce Generating properties has declined dramatically over time, despite a modest increase to the absolute value.



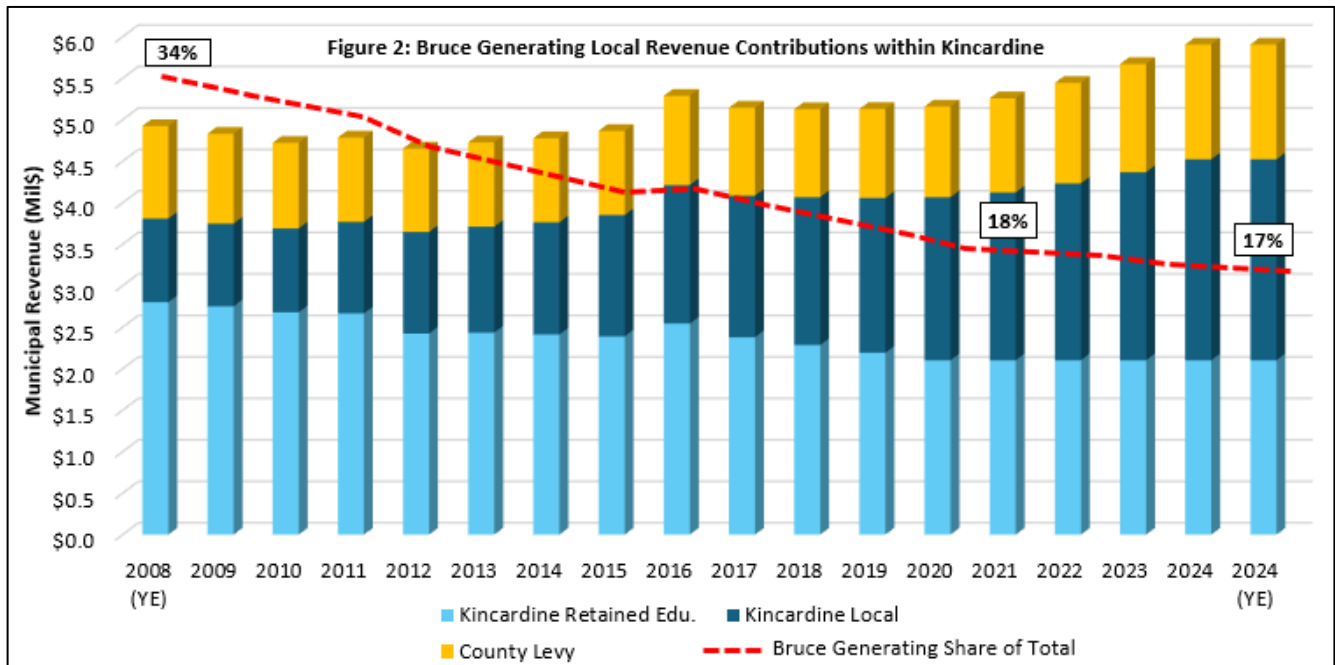
While the total assessment of the Bruce Generating site has increased by about 17% over the review period, the rest of Kincardine’s base has increased by nearly 120%.

- As a result, the site’s relative share of the local assessment base has fallen by 43% since 2008.
- Across Bruce County, the collective assessment of the non-nuclear properties rose by over 110%, leading to a similar 44% decline in the site’s share of the County-wide base.

TAX SHARE IMPLICATIONS OF RELATIVE DECLINE

As the assessed value of the Bruce Generating properties has declined relative to the overall tax base, so too has their proportional share of Kincardine’s municipal revenue. This trend has been consistent and ongoing throughout the review period.

As shown in *Figure 2*, these properties contributed 34% of the municipal levy in 2008. Today, that share has dropped by half with the difference being shifted to other taxpayers.



Where residents and businesses within Kincardine once carried approximately 66% of the municipal revenue raised from property assessment, they now shoulder over 83%.

Considering the County’s levy across all local area municipalities, the revenue share carried by the generating properties declined from almost 3.5% in 2008 to just 2.0%, or approximately 40%.

Beyond the proportional decline in revenue share, *Figure 2* reveals another important dynamic:

- There has been an absolute decline in the locally retained education payments over time; and
- Each reduction in the retained education payment required a compensatory increase in the municipality’s local levy to fill the revenue gap (see light to dark blue transition).

Taken all together, these findings show that the issue extends beyond simple tax shifts. Kincardine’s local levy has increased in part due to the declining locally retained education revenue, compounding the effects of both assessment-driven tax shifts and inflationary levy pressures. While some of these increases have cycled back to the generating site through proportional tax share, the most substantial share has been absorbed by other taxpayers within the community.

Finally, *Figure 2* also shows that this pattern of relative decline and tax shift stabilizes somewhat following the Province’s decision to pause reassessment in 2021, further reinforcing the conclusion that assessment methodology is the primary driver of these long-term shifts.

Root Causes and Policy Concerns: Static Valuation in a Dynamic System

Ontario’s assessment system is built on the concept of Current Value Assessment, where valuations are synonymous with Market Value and value estimates are updated periodically to reflect more current markets.

However, electricity industry properties including nuclear generating complexes like the Bruce site represent a stark departure from these foundational principles. Rather than reflecting current or even reasonable valuations, these properties are assessed using rigid formulas and unit-value models rooted in historical assumptions. Most notably:

- Buildings housing generation, transformation, and auxiliary equipment are valued using a fixed rate of \$86.11 per square metre (\$8.00/sq ft) of interior ground floor area.
- Water intake and discharge systems are indexed from a 2003 base, using an inflation factor that underperforms relative to actual capital and replacement costs.

These models, locked in by provincial regulation, have not been updated in 20 years.

Moreover, while these limited valuation formulas are intended to apply only to specific components of electricity infrastructure, in practice, the absence of market-responsive assessment has extended across virtually every element of these sites resulting in systemically suppressed valuations overall.

It is the persistence of these unchanging values within a broader system where the non-nuclear tax base is regularly updated to reflect rising market values that has driven the significant and ongoing tax shifts outlined above.

Table 1: Cumulative Assessment Change (Million \$)
(Bruce Generating Components and Kincardine’s Non-Nuclear Base)

Property Group	2008 Year-End	Market Value Change		Real Growth		2024 Year-End	Cumulative Change	
Generating	17.1	-1.12	-6.5%	0.02	0.1%	16.0	-1.1	-6.4%
Water Intake	10.5	-0.28	-2.6%	0.69	6.6%	10.9	0.4	4.0%
Generation Support	27.9	-0.62	-2.2%	3.41	12.2%	30.7	2.8	10.0%
Office Building	48.4	8.14	16.8%	-0.42	-0.9%	56.2	7.7	15.9%
Common Services	43.3	0.00	0.0%	-6.85	-15.8%	36.4	-6.8	-15.8%
Waste Services	19.4	3.63	18.7%	22.99	118.5%	46.0	26.6	137.3%
Bruce Gen. Total	166.6	9.76	5.9%	19.84	11.9%	196.2	29.6	17.8%
Non-Nuclear Base	1,161.29	964.60	83.1%	421.70	36.3%	2,547.6	1,386.31	119.4%

Overall, the non-nuclear property base has experienced cumulative market value increases more than 14 times greater than those observed for the Bruce Generating properties.

While this higher growth rate in the non-nuclear base has contributed marginally to shift in tax shares, it is the absence of market value updates for Bruce Generating properties across multiple reassessment cycles that has not only driven, but effectively guaranteed, the ongoing shifts onto residents and businesses in Kincardine and across Bruce County.

LOOKING FORWARD: THE CURRENT MARKET GAP AND ONTARIO'S NEXT REASSESSMENT

As significant and disruptive as the past tax shifts have been, and as lasting as their impacts on the balance of taxation remain, without meaningful reform now, the next reassessment is likely to trigger shifts that will eclipse those of the past two decades, potentially within just two or three years.

Although property reassessments have been paused in Ontario since 2021, real-world market forces have continued to evolve. Evidence already suggested that the postponed 2021 reassessment cycle could have been the most dramatic since the transition to Ontario's current system in 1998.

In fact, extensive sampling of property sales within Bruce County indicates that actual market values may now be as much as 160% higher than the assessment values currently in use, which are still based on 2016 market conditions.

This growing disconnect sets the stage for extreme volatility and significant tax burden shifts when reassessment resumes, especially if valuation methods for the electricity sector remain frozen in time.

Our high-level data modelling, informed by past reassessment and tax shift patterns, suggests that if the non-nuclear base increases by just 125% overall, and the Bruce Generating Station receives a market adjustment of only 25%, a figure that would be ambitious based on historical precedent, as much as 40% or more of the site's current share of the municipal levy could be shifted to residents and businesses within four years or less.

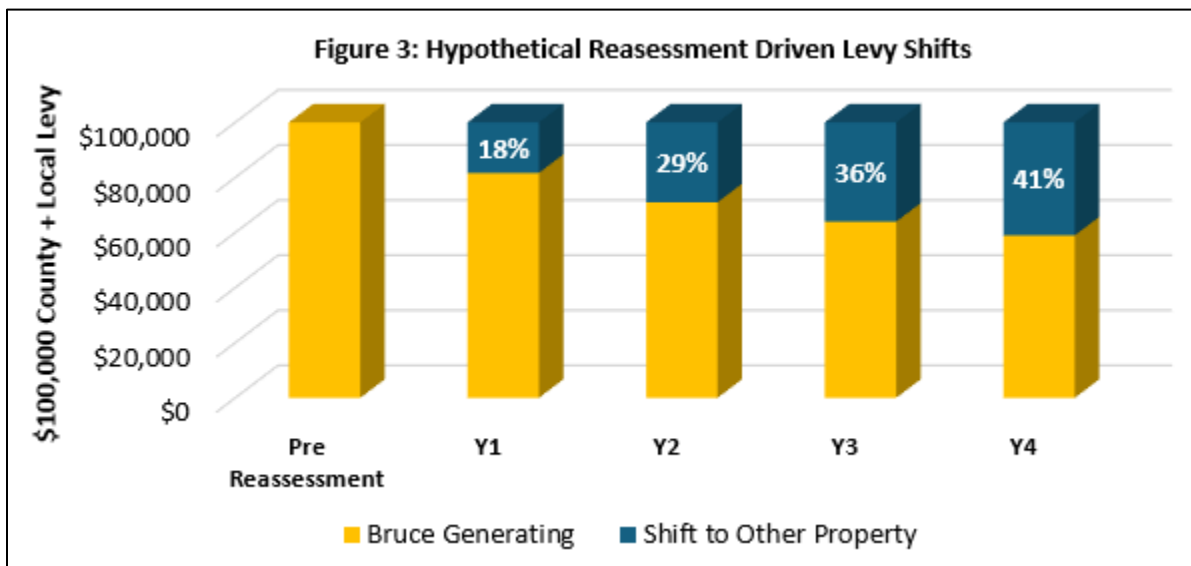


Figure 3 applies our predictive modelling to \$100,000 of municipal (County + Local) levy dollars to consider how that amount might change under a potential reassessment scenario.

- The model indicates that over 40% of the property's pre-reassessment levy share could be shifted to other properties within four years or less even under conservative assumptions.

This projected shift would be further aggravated by unpredictable but potentially substantial losses in locally retained education levy, creating additional upward pressure on the local levy, which must then be absorbed by all other property types. In all, it is reasonable to suggest that a reduction in excess of 50% is a reasonable, and perhaps conservative estimate in the absence of material reform.

KEY FINDINGS AND CONCLUSIONS

This case study examined the assessment and levy impacts associated with the Bruce Generating Station, focusing on tax share shifts and their implications for the Municipality of Kincardine and Bruce County. The comprehensive analysis confirms that **current assessment protocols applied to electricity industry properties systematically disadvantage host municipalities and other taxpayers.**

The following conclusions are supported by the findings:

Assessment and Tax Share Shifts

- There has been a consistent decline in the tax share carried by the Bruce Generating site, driven primarily by static valuations that have not kept pace with growth in the broader assessment base.
- While this trend appeared to stabilize during Ontario's reassessment pause, that stability reflects a temporary freeze—not a resolution of the underlying issue.

Non-Market Valuation Models

- Prescribed valuation methods such as area-based unit values and indexed formulas for water intake/discharge assets have materially reduced the site's relative contribution over time.
- In practice, the application of non-market treatment has extended beyond its intended scope, affecting a broader range of property elements than the Regulations explicitly prescribe.

Levy and Revenue Implications

- Rising municipal levies have not offset the shift in burden; instead, they have magnified disparities, with non-hydro properties absorbing a growing share of municipal costs.
- The loss of locally retained education levy, compounded by static education tax rates, has required municipalities to increase the local levy further, placing additional pressure on residents and businesses.

URGENT NEED FOR REFORM IS CLEAR

While we do not advance or prescribe a specific solution, this case study and the underlying analysis clearly and conclusively substantiate the urgent need for reform.

Without meaningful change to outdated assessment protocols which, by their very design, ensure the continued erosion of local revenue contributions from the electricity industry, residents and other businesses with host communities will face increasingly unsustainable shifts in the coming years.

Similarly, although this analysis does not propose how new or expanded generation infrastructure should be treated within the municipal revenue system, it highlights the need for a more responsive, and dynamic approach to ensure the long-term viability and capacity of host communities. Without such changes, Ontario's electricity expansion ambitions may be undermined by the fiscal weakening of the very municipalities that support and enable them.

Proper funding of host communities is not just a fairness issue, but one of feasibility. Ontario's energy transition and growth agenda depends on strong partnerships with local communities. Undermining the contribution of major facilities undermines these relationships and risks stalling progress.

DISCLAIMER AND CAUTION

The information, views, data and discussions in this document and related material are provided for general reference purposes only.

Regulatory and statutory references are provided for convenience only and in many instances, are not directly quoted excerpts. The reader should refer to the relevant provisions of the legislation and regulations for complete information.

Decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

MTE is not responsible or liable to the municipality, nor to any other party for damages arising based on deficiencies, defects, errors, omissions, completeness, suitability, or accuracy of the data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special, punitive, incidental or consequential damages.

RELATION TO UNDERLYING COUNTY AND LOCAL ANALYSIS

This Case Study Summary is intended to provide a high-level overview of the key themes, issues, and findings drawn from two comprehensive technical studies conducted in support of this work.

It is not intended to fully document the detailed analytical methodologies or all underlying results. Rather, the purpose of this summary is to highlight the most pertinent findings and present them in a format that is reasonably accessible to both technical and non-technical audiences, including those less familiar with the complexities of Ontario's property assessment and taxation systems.

ABOUT MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.

MTE provides expert consulting services and tailored solutions to municipalities and other public sector entities in the areas of property assessment, taxation, and municipal finance.

While MTE's service offerings are broad-ranging, they share a common focus: equipping public sector staff and decision-makers with the knowledge, tools, and resources needed to design, implement, and sustain effective policies and practices.

This includes specialized expertise in policy analysis and development, through which we assist clients in evaluating legislative frameworks, interpreting regulatory changes, and crafting locally responsive policy solutions aligned with prevailing objectives.

MTE's core municipal client base is located in Ontario; however, we are regularly engaged by a diverse range of public sector stakeholders, including provincial governments, professional associations, and industry working groups. These engagements draw on our unique combination of technical proficiency and policy insight to support the delivery of complex and specialized projects.