

TOWN OF CARDSTON

BYLAW #1649

DISTRIBUTION TARIFF CUSTOMER TERMS AND CONDITIONS

SCHEDULE "B2"

(Amended by 1649N – Effective January 1, 2025)

TOWN OF CARDSTON Bylaw 1649 Schedule B2 DISTRIBUTION TARIFF

Page 3 of 57

Table of Contents

INT	INTRODUCTION			
1.	. DEFINITIONS			
2.	. INTERPRETATION			
	2.1.	Conflicts	15	
	2.2.	Headings	15	
	2.3.	Acts and Regulations	15	
3.	GEN	ERAL PROVISIONS	15	
	3.1.	Approval	15	
	3.2.	Acceptance of Terms and Conditions	16	
	3.3.	Modification of Terms and Conditions	16	
	3.4.	Collection of Taxes and Fees	16	
	3.5.	Payment of Invoice	16	
	3.6.	Underpayments	17	
	3.7.	Dishonored Payments	17	
	3.8.	Credit and Prepayment	17	
	3.9.	Customer Facilities	18	
	3.10.	Service Calls	18	
	3.11.	Law	18	
	3.12.	Notices	18	
	3.13.	Default Supplier	19	
	3.14.	Residential Investment	19	
	3.15.	Non-Residential Investment	19	
	3.16.	Insurance	20	
4.	CON	NECTION SERVICES	21	
	4.1.	Interruptions	21	
	4.2.	ISO System Control Requirements	21	
	4.3.	Compliance with Governmental Directives	21	
5.	LIAB	ILITY AND INDEMNIFICATION	22	
	5.1.	Definitions	22	
	5.2.	Limitation of Liability	22	
	5.3.	Consequential Damages	22	
	5.4.	Town Not Liable for Retailer	22	
	5.5.	Indemnity	23	
	5.6.	Interruption	24	
	5.7.	Force Majeure	25	
6.	DISP	UTE RESOLUTION	25	

Town of Cardston Distribution Tariff

			Page 4 of 57
	6.1.	Arbitration Procedure	25
	6.2.	Decisions Binding	25
	6.3.	Resolution of Disputes Relating to the Terms and Conditions	25
	6.4.	Arbitration by a Single Arbitrator	26
	6.5.	Arbitration by Three Arbitrators	26
	6.6.	Qualification of Arbitrators	26
	6.7.	Date of Decision	26
	6.8.	Decision of Arbitrators Is Final	27
	6.9.	Application of the Arbitration Act	27
	6.10.	Continuation of Obligations and Responsibilities	27
7.	MIS	CELLANEOUS	27
	7.1.	Compliance with Applicable Legal Authorities	27
	7.2.	No Waiver	
	7.3.	No Assignment	28
8.	DEF	AULT	28
	8.1.	Event of Default	28
	8.2.	Rights Upon Default	
9.	INV	DICING	
	9.1.	Distribution Tariff Invoices	30
	9.2.	Billing to Customer	30
	9.3.	Late Payment	
	9.4.	Default or Failure to Pay	
	9.5.	Estimated Invoices	
	9.6.	Payment of Accounts	
		No Payment Required	
		Refunds	
		Rate Changes and Billing	
		Demand Waiver	
		Rate Changes	
		Billing Period	
		Billing Period Change and Adjustments	
10.		TOMER PROTECTION	
		LICATION FOR CONNECTION SERVICES	
		Provision of Connection Services	
		Application for Connection Services	
	11.2.1		
	11.2.2	• •	
	44.4. 2	Application by rectaller of other recipilities	

Town of Cardston Distribution Tariff

		Page 5 of	57
	44.2.2		2.4
	11.2.3.	Provision of Information	
	11.2.4.	Rejection of Application	
	11.2.5.	Approvals	
	11.2.6.	Cost Estimate and Payment	
		stomer Responsibilities	
	11.3.1.	Rights of Way	
	11.3.2.	Access to the Customer's Property	
	11.3.3.	Management of Vegetation	
	11.3.4.	Customer Liability	
	11.3.5.	Protective Devices	. 39
	11.3.6.	Standards for Interconnection	. 39
	11.3.7.	Suitability of Equipment	. 39
	11.4. Co	nnections	
	11.4.1.	Interference with the Town's Property	. 39
	11.4.2.	Protection of the Town's Equipment	40
	11.4.3.	Unauthorized Use or Unsafe Conditions	40
	11.4.4.	Relocation of Facilities	40
	11.4.5.	Customer's Facilities	41
	11.4.6.	New Multiple Dwellings	41
	11.5. Cha	ange in Connection Services	. 41
	11.5.1.	Prior Notice by Customer	. 41
	11.5.2.	Changes to Facilities	. 42
	11.6. De-	-energization of Service	. 42
	11.6.1.	De-energization at Request of Customer	. 42
	11.6.2.	De-energization for Safety Reasons	. 43
	11.6.3.	De-energization Other Than for Safety	. 44
	11.6.4.	Re-energization of Service Other Than for Safety	. 44
	11.6.5.	Removal of Facilities	. 45
	11.6.6.	No Liability for De-energization or Disconnection	. 45
12.	REVENU	E METERING EQUIPMENT	
		tallation, Provision and Ownership	
		sponsibility of Customer	
		tallation of Metering Equipment	
		cess to Metering Equipment	
		anges to Metering	
		erval Metering	
		sts of Interval Meters	
			-

Town of Cardston Distribution Tariff

Р	age	6	OT	5/

13.	DISTRIB	UTED GENERATION SERVICES	48
	13.1. Mid	cro-Generation Regulation	48
	13.2. Pro	ovision of Distributed Generation Interconnection Services	48
	13.3. App	plication for Distributed Generation Interconnection Services	48
	13.3.1.	Method and Form of Application	49
	13.3.2.	Provision of Information	49
	13.3.3.	Rejection of Application	50
	13.3.4.	Approvals	50
	13.4. Res	sponsibilities	51
	13.4.1.	Rights of Way	51
	13.4.2.	Distributed Generator Liability	51
	13.4.3.	Protective Devices	51
	13.4.4.	Standards for Interconnection	. 52
	13.4.5.	Suitability of Equipment	. 52
	13.5. Coi	nnections	. 52
	13.5.1.	Interconnection Charges	. 52
	13.5.2.	Interference with the Town's Property	52
	13.5.3.	Protection of the Town's Equipment	. 53
	13.5.4.	Unauthorized Use or Unsafe Conditions	. 53
	13.5.5.	Relocation of Facilities	. 53
	13.5.6.	Distributed Generator's Facilities	. 54
	13.5.7.	Prior Notice by Distributed Generator	. 54
	13.5.8.	Changes to Facilities	. 54
	13.6. De-	-energization of Service	. 55
	13.6.1.	De-energization at Request of Distributed Generator	. 55
	13.6.2.	De-energization for Safety Reasons	. 55
	13.6.3.	De-energization Other Than for Safety	. 56
	13.6.4.	Re-energization of Service Other Than for Safety	. 56
	13.6.5.	Removal of Facilities	. 56
	13.6.6.	Fee Schedule	. 56
	13.7. Dis	tributed Generation Metering Equipment	. 56
	13.7.1.	Installation, Provision and Ownership	. 56
	13.7.2.	Distributed Generator Meters	. 57
	13.7.3.	Location	. 57
	13.7.4.	Access to Metering Equipment	. 57
	13.7.5.	Changes to Metering	

Page 7 of 57

INTRODUCTION

The Town of Cardston takes pride in its ownership and operation of the Electric Distribution System within its municipal boundaries. The Town provides access to the system and connection services to Customers that enables Retailers to sell Electricity directly to Customers. These Terms and Conditions set out the service conditions for Customers seeking Connection Services from the Town Electric Distribution System.

As a distribution utility, the Town does not sell Electricity. Alberta has a competitive market for electricity, which provides the right to purchase Electricity from a Retailer that you choose or from the Regulated Rate Provider if you do not choose a Retailer. You can find a list of Retailers on the Utilities Consumer Advocate website: https://ucahelps.alberta.ca/. Whether you buy your Electricity from a Retailer, Regulated Rate Provider or Default Supplier, you will receive a bill from them for the electricity you have used. That bill will also include the amounts that the Town charges for services we provide under these Terms and Conditions, including transporting Electricity by means of our Electric Distribution System.

1. **DEFINITIONS**

The following words and phrases, whenever used in these Terms and Conditions, a Rate Schedule, a Fee Schedule, a Retail Access Services Agreement or an Interconnection Agreement, shall have the respective meanings set out below:

- (a) "Arbitration Act" means the Arbitration Act (Alberta);
- (b) "AUC" means the Alberta Utilities Commission;
- (c) "AUC Rule 021" means the Settlement System Code Rules as established, amended and approved by the AUC under the authority of the EUA;
- (d) "AUC Rule 024" means the Rules respecting Micro-Generation as established amended and approved by the AUC under the authority of the EUA;
- (e) "Billing Demand" means the demand as defined in the Town of Cardston Distribution Tariff Rate Schedule;

Page 8 of 57

- (f) "Business Day" means any day other than a Saturday, Sunday or a Statutory holiday in the Province of Alberta:
- (g) "Connected Load" means in relation to a Site, the sum of the capacities or ratings of the electricity consuming apparatus connected to the Town of Cardston's Distribution System at the Site;
- (h) "Connection Services" means "electric distribution service" as defined in the EUA and includes Distributed Energy Resource Interconnection Services and all of the other services provided under the Town of Cardston Distribution Tariff;
- (i) "CSA" means the Canadian Standards Association
- (j) "Customer" has the meaning given to it under the EUA and also includes a Person or entity to whom the Town serves under its Distribution Tariff, who owns, rent or leases land upon which service under the Town's Distribution Tariff is or will be provided, but does not include a Retailer, a Regulated Rate Provider or a Default Supplier;
- (k) "Customer Contribution" means, for the purposes of the Town's investment policies, the difference between the cost of a Service Connection and the amount that EPC invests in that Service Connection;
- (I) "Customer Party" means a Customer and its directors, officers, agents, contractors and representatives;
- (m) "De-energize", De-energized or "De-energization" means the disconnection of metering or electrical equipment to the Electric Distribution System to prevent Energy from flowing to or from a Site;
- (n) "Default Supplier" means a Retailer appointed by an owner pursuant to Section 3 of the Roles, Relationships and Responsibilities Regulation (Alberta);
- (o) "Demand" means the amount of Electricity delivered to or by a system (expressed in kVA) at a given instant or average over any designated period of time;
- (p) "Developer" means a Person or a Person on behalf of another Person, who is developing the land or structure, or both, on which the Facilities are being installed;

Page 9 of 57

- (q) "Distributed Energy Resource" means any apparatus, device or equipment that is capable of producing or storing Electricity and that is directly or indirectly electrically connected, either continuously or intermittently, to the Town Electric Distribution System and includes Distributed Generation;
- (r) "Distributed Generator" means a Person who delivers Energy to the Town's Facilities as set out in these Terms and Conditions includes a Micro-Generator;
- (s) "Distributed Energy Resource Interconnection Services" means services provided by the Town which will allow for the delivery of Electricity to the Town's Facilities by a Distributed Energy Resource;
- (t) **"Distribution Access Service"** means Electric Distribution Service which has the meaning given to it by the EUA;
- (u) "Distribution Tariff" means a document prepared by the Town and approved by Municipal Council that sets out:
 - (i) Rate Schedules, and
 - (ii) Terms and Conditions;
- (v) "Electricity" has the meaning given to it by the EUA
- (w) "Electric Distribution System" has the meaning given to it by the EUA;
- (x) "Electricity Services" has the meaning given to it by the EUA
- (y) "Eligible Customer" has the meaning given to it by the EUA;
- (z) "Emergency" means:
 - (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm Load, equipment damage, or tripping of system elements that could adversely affect the reliability of the Electric Distribution System or the safety of Persons or property,

Page 10 of 57

- (ii) a fuel shortage requiring departure from normal operating procedures in order to minimize the use of fuel,
- (iii) a condition that requires implementation of an Emergency operations system as defined in the ISO's operating policy and procedures, or
- (iv) any other condition or situation that the Town or the ISO deems imminently likely to endanger life or property or to affect or impair the Town's Electric Distribution System or the electrical systems of others to which the Town's Electric Distribution System is directly or indirectly connected. Such a condition or situation may include but is not limited to potential overloading on the Town's Electric Distribution System, Facilities, transmission and/or distribution circuits, or unusual operating conditions on either the Town's Electric Distribution System, Facilities, transmission or distribution circuits or on those of an indirectly connected electrical system, or conditions such that the Town is unable to deliver Energy for a Customer or Retailer without jeopardizing the Town's Electric Distribution System, Facilities, transmission or distribution circuits or those of an indirectly connected electrical system;
- (aa) "Energize", Energized or "Energization" means the connection of metering or electrical equipment to the Electric Distribution System to permit Energy to flow to or from the Site and includes any derivation of this word, as the context requires;
- (bb) "EPC" means ENMAX Power Corporation
- (cc) "**EUA**" means the *Electric Utilities Act*, (Alberta);
- (dd) "Facilities" means the Town's physical facilities including, without limitation, transmission and distribution lines, wires, transformers, Meters, Meter reading devices, Load Limiting Devices and other electrical apparatus;
- (ee) **"Fee Schedule"** means the schedule approved by the Town as Schedule "A" attached to and forming part of these Terms and Conditions which sets out the charges for the provision of Connection Services, Distributed Energy Resource Services, or Retail Access Services, as amended from time to time;
- (ff) **"Force Majeure"** means circumstances not reasonably within our control, including acts of God, strikes, walkouts, lockouts or other industrial disturbances, acts of a public

Page 11 of 57

enemy, wars, blockades, insurrections, riots, pandemics, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, laws, orders, restraints or acts of courts or other public, civil or military authorities, civil disturbances, explosions, breakdown or accident or necessity of repairs to equipment or lines of the electric transmission and distribution systems, loss, diminution or impairment of electrical service from generating plants, suppliers or the systems of others with which the Electric Distribution System is interconnected, failure of any supplier or Retailer to perform, failure, curtailment, interruption or reduction of the transmission or Electric Distribution Systems' capacity, and any other event or circumstance, whether of the kind herein enumerated or otherwise, not reasonably within our control. Force Majeure events do not include our lack of finances or inability to perform due to our financial condition, or decisions or orders made by the AUC in the normal course of exercising its authority.

- (gg) "Generating Unit" has the meaning given to it by the EUA;
- (hh) "Interval Meter" means a Meter that measures, at intervals of 60 minutes or less, the amount of Electricity consumed, and satisfies the standards for revenue collection under the Electricity and Natural Gas Inspection Act (Canada) and the Weights and Measures Act (Canada).
- (ii) "IES" has the meaning given to it by the EUA;
- (jj) "Interconnection Agreement" means an agreement between the Town and a Distributed Energy Resource, which sets the terms upon which the Town provides Distributed Energy Resource Interconnection Services to the Distributed Energy Resource and the associated Rate Schedule and Fee Schedule;
- (kk) "Invoice Date" means the date as indicated on an invoice;
- (II) "ISO" means the Independent System Operator established in the EUA to carry out the duties of the Independent System Operator under the EUA and carrying on business as the Alberta Electric System Operator;
- (mm) "kVA" means kilovolt ampere or kilovolt amperes;
- (nn) "kW" means kilowatt or kilowatts;

Page 12 of 57

- (oo) "kWh" means kilowatt hour or kilowatt hours;
- (pp) "Load" means the Demand and Electricity delivered or required to be delivered to a Site;
- (qq) "Load Limiting Device" means hardware or software that limits or reduces the electric current provided to the Customer, and which may be a standalone device or part of a Meter;
- (rr) "Meter" is the apparatus and associated equipment, which measure active Energy or reactive Energy or both, as approved by Measurement Canada;
- (ss) **"Meter Services"** means all services associated with the metering of Electricity, including the purchase, installation, operation, reading, testing, maintenance, monitoring, replacement and removal of a Meter;
- (tt) "Micro-Generation Regulation" means the Micro-Generation Regulation (Alberta);
- (uu) "Micro-Generator" means micro-generator as defined in the Micro-Generation Regulation;
- (vv) "Minimum Contract Demand" is the minimum kVA contracted for the Customer;
- (ww) "Minimum Demand Agreement" is an agreement between the Customer and the Town in which the Customer agrees, among other things, to pay the Town a Demand-based charge where the Demand upon which the charges are based is determined in accordance with the terms of the agreement;
- (xx) "Operating Procedures" means the procedures for the operation of both the Customer's facilities and the Town's Facilities relating to an interconnection, as required for the safe and orderly operation of a Service Connection;
- (yy) "Optional Facilities" means Facilities requested by the Customer that are, in the opinion of the Town, beyond what is required to provide safe, reliable and economic service consistent with current municipal standard practice or are expected to cause increased operation and maintenance expenses to the Town;

Page 13 of 57

- (zz) "Parties" means the Town, the Customer, or any other Person taking any services, under this Distribution Tariff and these Terms and Conditions and "Party" means any one of them;
- (aaa) "Person" means an individual, firm, partnership, association, joint venture, corporation, trustee, executor, administrator or legal representative;
- (bbb) "Point of Service" means any service that is assigned a unique Site ID as described in AUC Rule 021;
- (ccc) "**Power Factor**" means the ratio of real power measured in kilowatts to total or apparent power measured in kVA;
- (ddd) "Ratchet Demand" means 90% of the highest kVA Demand in the last 365 days ending with the last day of the Distribution Tariff bill period as defined in the TBC;
- (eee) "Rate Schedule" means a schedule forming part of the Cardston Distribution Tariff that sets out the charges to Customers;
- (fff) "Re-energize" or "Re-energization" means the reconnection of metering or electrical equipment to the Electric Distribution System, which allows Energy to flow to or from a Site;
- (ggg) "Regulated Rate Provider" or "RRP" means the owner of an Electric Distribution System, or a Person authorized by the owner that provides Electricity Services to Eligible Customers in the owner's service area under a Regulated Rate Tariff;
- (hhh) "Regulated Rate Tariff" means a tariff which provides for a transition rate or a flowthrough rate and applies to any Eligible Customer; in these Terms and Conditions and posted on the Municipal website;
- (iii) "Retail Access Services" "electric distribution service" as defined in the EUA and includes all of the services provided by the Town to Retailers under the Town Distribution Tariff
- (jjj) "Retail Access Services Agreement" means an agreement between the Town and a Retailer, which sets forth the terms upon which the Town provides Retail Access

Page 14 of 57

Services to the Retailer and whereby the Retailer agrees to these Terms and Conditions and the associated Rate Schedule:

- (kkk) "Retail Electricity Services" has the meaning given to it by the EUA;
- (III) "Retailer" has the meaning given to it by the EUA;
- (mmm) "Retailer of Record" means the Retailer that the Load Settlement system recognizes as providing Retail Electricity Services to a given Site for a given day;
- (nnn) "Service Connection" means the physical connections of the Town Facilities to the facilities of a Customer;
- (ooo) "Site" means a unique end use service delivery point;
- (ppp) "Site ID Catalogue" means the electronic file containing Site Identification Numbers and location information for all Sites to which the Town provides delivery services;
- (qqq) "Site Identification Number" means a unique identification number assigned to each Site;
- (rrr) "System Access Service" has the meaning given to it by the EUA; "TBC" means the Alberta Tariff Billing Code, AUC Rule 004;
- (sss) "Terms and Conditions" or "Terms and Conditions" means these Terms and Conditions for any services, as amended from time to time;
- (ttt) "Town" means the Town of Cardston or a duly appointed wire service provider.
- (uuu) **"Town Standards"** means any bylaws, policies, conditions to approvals and permits, or similar documents;
- (vvv) "Unauthorized Revenue Sub-metering" means the use of any meter not authorized by the Town for the purpose of measuring electricity for the purpose of rendering an invoice to or charging another Person based on that measurement;

Page 15 of 57

- (www) "Your Equipment" means any equipment or facilities on Your Property that you own or control and that is connected to our Facilities;
- (xxx) "Your Property" means property that a Customer owns, rents or controls.

2. INTERPRETATION

2.1. Conflicts

If there is any conflict or ambiguity between a provision expressly set out in a Retail Access Services Agreement, an Interconnection Agreement, Rate Schedule and these Terms and Conditions, the provisions of these Terms and Conditions shall govern to the extent of the conflict or ambiguity.

2.2. Headings

The division of these Terms and Conditions into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions.

2.3. Acts and Regulations

The reference to a legislative Act or regulations includes regulations enacted thereunder, and any supplements, amendments or replacements.

3. GENERAL PROVISIONS

As owner and operator of the Electric Distribution System within the municipal boundaries of the Town of Cardston, the Town provides Customers with access to the system and services to Retailers that enable Retailers to sell Electricity directly to Customers. These Terms and Conditions also set out the service conditions for customers connected to the Town Electric Distribution System. Together with the Retailer Terms and Conditions, these Terms and Conditions form the Terms and Conditions for the Town of Cardston Distribution Tariff.

3.1. Approval

These Terms and Conditions, Rates and Fees form the Town's Distribution Tariff and have been approved under the regulatory authority of the Municipal Council.

Page 16 of 57

3.2. Acceptance of Terms and Conditions

The taking of any services by a Customer under these Terms and Conditions constitutes acceptance by the Customer of these Terms and Conditions and assumption of all obligations set forth herein with respect to that service.

3.3. Modification of Terms and Conditions

No agent or employee of the Town is authorized to modify or change these Terms and Conditions or the Rate Schedule, or to bind the Town to perform in any manner inconsistent with these Terms and Conditions or the Rate Schedule.

3.4. Collection of Taxes and Fees

The Town shall collect franchise fees, and sales, excise, or other taxes imposed by governmental authorities with respect to any service, including Distribution Access Service.

3.5. Payment of Invoice

All fees, rates and charges required to be paid under these Terms and Conditions shall be paid following receipt of an invoice for the fees, rates and charges. The invoice may be issued by a Retailer on behalf of the Town or directly by the Town. Transactional charges include one-time charges as defined by the TBC. Customers or Retailers shall be invoiced for services according to the fees set out in the Fee Schedule and in accordance with these Terms and Conditions.

Invoices shall be deemed rendered, and other notices duly given when delivered to a Party personally, when mailed to or left at the premises where service is provided or the last known address of the Party or when delivered to the address identified pursuant to these Terms and Conditions. Failure to receive such an invoice from the Town will not entitle the Party to any delay in the settlement of each account nor to any extension of the date after which a late payment charge becomes applicable. In the case of a dispute between the Town and a Party, the Party shall be expected to make payment or settlement as originally arranged and agreed to, pending the resolution of the dispute.

Payment shall be made in a form as determined by the Town.

Late payment penalties, at a rate established by the Town from time to time and specified in the invoice, will be applicable to the total current charges outstanding, no less than 25 days following the Invoice Date. Parties who fail to make payments on time are subject to normal credit action, including, but not limited to:

(a) reminder letters;

Page 17 of 57

- (b) telephone notification;
- (c) use of collection agencies;
- (d) requiring prepayment before additional service;
- (e) withholding additional service; and
- (f) legal action.

3.6. Underpayments

Underpayments of any amount are treated as normal receivables outstanding.

3.7. Dishonored Payments

The Town may assess a dishonored payment fee, as outlined in the Fee Schedule, to any Party whose payment to the Town is dishonored by any financial institution. Receipt by the Town of a payment instrument that is subsequently dishonored or refused payment or returned by a financial institution shall not be considered valid payment.

3.8. Credit and Prepayment

Subject to these Terms and Conditions, prior to the Town entering into any agreement which provides credit to a Party, the Party must satisfy the Town that the Party is capable of meeting its obligations by satisfying either credit or security requirements as follows:

(a) Credit

Provide information necessary to establish and monitor ability to pay.

(b) <u>Security</u>

Provide and maintain one of the following forms of security (at the Town's sole discretion):

- (i) a satisfactory guarantee of payment;
- (ii) a guarantor who satisfies the Town's credit requirements;
- (iii) providing a satisfactory irrevocable letter of credit from a Canadian chartered bank; or equivalent lending institution satisfactory to the Town; or
- (iv) a cash deposit.

Page 18 of 57

Service on credit may be withheld if the Party has outstanding accounts for previous service provided by the Town. Parties not extended credit are required to prepay for services. Notwithstanding any credit or security arrangements, the Town, at its sole discretion, may require full or partial prepayment as a pre-condition to providing any services.

3.9. Customer Facilities

The Customer shall be responsible for the installation and condition of Customer owned equipment and facilities on a Site, or on premises controlled or occupied by the Customer. The Town will retain ownership of its equipment and Facilities whether affixed to a Customer's facilities or not.

3.10. Service Calls

The Town will require a Customer to pay the appropriate fee, as per the Fee Schedule, for a Customer-requested service call if the source of the problem is the Customer's equipment or facilities.

3.11. Law

These Terms and Conditions, the Retail Access Services Agreement and any Interconnection Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of laws. Any lawsuit arising in connection with these Terms and Conditions, the Retail Access Services Agreement or an Interconnection Agreement shall be brought in the courts of the Province of Alberta.

3.12. Notices

Unless otherwise stated herein, all notices, demands or requests required or permitted under these Terms and Conditions, a Retail Access Services Agreement or an Interconnection Agreement shall be in writing and shall be personally delivered, mailed or delivered by facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

- if to the Customer, the address and the addressee on record with the Town;
- if to the Retailer, the address and the addressee set out in the Retail Access Services Agreement between the Retailer and the Town;
- if to the Distributed Generator, the address and the addressee on record with Town;

Page 19 of 57

if to the Town,

Town of Cardston 67, 3 Avenue W Cardston, Alberta TOK 0K0

A Party may change the address or addressee from time to time by giving written notice of such change as set out in this Section. Any notice, demand or request made, given or delivered hereunder is considered delivered: when sent by facsimile, on the next Business Day following a confirmed facsimile; when mailed, at the end of the 4th Business Day after mailing; or when hand delivered, at the time of delivery where proof of delivery date is provided.

All general operational notifications will be communicated electronically.

3.13. Default Supplier

The Town has appointed ENMAX Energy Corporation as its Default Supplier. The Default Supplier must provide Retail Electricity Services to a Customer that is not an Eligible Customer, where the Customer is unable to:

- (a) continue to purchase Retail Electricity Services from the Customer's Retailer for any reason; or
- (b) obtain Retail Electricity Services for any reason.

3.14. Residential Investment

Refer to the Town of Cardston Distribution Tariff Schedule C – Fees.

3.15. Non-Residential Investment

The Town of Cardston will invest in Non-Residential customer connections in accordance with the following conditions:

- 1. The Town investment level in connection facilities for Small Commercial (CRD200), and Medium Commercial (CRD400) services is \$500/kVA of Maximum Supply Capacity per Site.
- 2. Service voltage is determined by the Town with input from the customer on anticipated load requirements.
- 3. Overhead conductor is provided by the Town.
- 4. Underground conductor is provided by the customer.

Page 20 of 57

- 5. On private property outside of the utility right-of-way boundary, the customer shall provide and install duct required for secondary service cables from the building to the Town's duct at the secondary side of the transformer.
- 6. The customer shall provide and install secondary cables required.
- 7. All work done at or near the transformer must be done under Town supervision and inspected by the Town prior to energization at the customer's expense.
- 8. Minimum Contract Demand: the minimum kVA contracted for by the Customer;
- Contract Term: the term of the standard contract is typically between 5 and 15 years and will
 commence on the date the Town determines that the connection is capable of providing the
 Maximum Contract Capacity;
- 10. Contract Obligation: the contract applies to the original, contracted Customer;
- 11. Contract "buy down": Customers are permitted to "buy down" the Town investment, and therefore reduce their Minimum Contract Demand, with a linear reduction factor over the contract term according to the following formula:
- 12. Customer "buy down" cost = (original Town investment revised Town investment) x (1-(contract years completed/Contract Term));
- 13. Line Contribution Refunds: The Town does not currently employ this practice or endorse the refund of contribution-in-aid-of-construction from one Customer to another;
- 14. Staged Loading by Customer: standard investment levels will apply for Customers with staged loading subject to the full Minimum Contract Demand being in place within two years of the date the Town determines that the connection is capable of providing the Maximum Contract Capacity;
- 15. Optional Facilities: The Town's investment will only apply to Facilities deemed reasonable, useful, and justifiable to Town staff. Facilities requested by a Customer that, in the opinion of the Town, are not reasonable, useful, or justifiable, shall be entirely at the cost of the Customer;
- 16. Transmission Facilities: this policy does not in any way apply to or include transmission or substation related capital costs;
- 17. The Town shall pay the costs of connecting a micro-generation generating unit to the interconnected electric system as set out in the Micro-Generation Regulation. Distributed Generators with on-site generation having a minimum export capacity of 1,000 kVA will pay all costs related to obtaining Distributed Generation Interconnection Services.

3.16. Insurance

Except as otherwise expressly provided in the Interconnection Agreement with the Distributed Generator, the Distributed Generator shall purchase a liability insurance program for the operation of the generator that a prudent operator of a similar generator would maintain. The cost of obtaining and maintaining such liability insurance shall be borne by the Distributed Generator.

Except as otherwise expressly provided in the Interconnection Agreement with the Distributed Generator, in respect of the insurance policies carried by the Distributed Generator under this Section of these Terms and Conditions, each insurance policy shall, include waivers of subrogation in favour of the Town and any commercial general liability policy shall include a

Page 21 of 57

cross liability and blanket contractual clause and shall include the Town as an additional insured. The Distributed Generator will provide a certificate of insurance in this regard to the Town.

4. CONNECTION SERVICES

4.1. Interruptions

The Town may discontinue or otherwise curtail, interrupt or reduce Connection Services or Distributed Generation Interconnection Services:

- (a) to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Town's Facilities; to maintain the safety and reliability of the Town's Electric Distribution System; or
- (b) for any other reason, including Emergencies, forced outages, potential overloading of the Town's Electric Distribution System or Force Majeure.

4.2. ISO System Control Requirements

The Customer or Retailer acknowledge and agree that the Town is bound by all ISO operating instructions, policies and procedures as are set forth in the current ISO rules and ISO operating policies and procedures; and they will cooperate with the Town so that the Town will be in compliance with all ISO operating procedures, including, but not limited to, those procedures pertaining to minimum and maximum generation, Emergencies, and measures requiring involuntary Customer and Retailer participation, such as supply voltage reduction or full interruption of Customer Load by either manual or automatic means.

4.3. Compliance with Governmental Directives

The Customer and Retailer acknowledge that the Town may need to act in response to governmental or civil authority directives or regulatory orders, which may affect a Person's operations, and agree to cooperate with the Town in order to enable the Town to comply with all such directives or orders.

Page 22 of 57

5. LIABILITY AND INDEMNIFICATION

5.1. Definitions

In this Section:

- (a) "Affiliate" has the meaning given to it in the *Business Corporations Act* (Alberta) but shall not include the municipal corporation;
- (b) "Customer Information" has the meaning given to it in the Code of Conduct Regulation (Alberta);
- (c) "Direct Loss or Damage" means direct physical damage, injury or loss, but does not include loss of profits, loss of revenue, loss of production, loss of earnings, loss of contract or any other indirect, special, punitive, exemplary or consequential loss or damages of any kind whatsoever; and

5.2. Limitation of Liability

The Town does not guarantee or promise uninterrupted service. Except for Direct Loss or Damage caused by the negligence or willful misconduct of the Town or breach of these Terms and Conditions by the Town, the Town shall not be liable to any Customer, Retailer or other Person in law, equity, tort or contract for any loss, damage, injury or claim of any nature whatsoever, arising out of or in any way connected with the provision by the Town of Electricity Services, Distribution Access Service, or any failure, estimated data errors, defect, fluctuation, reduction, De-energization, suspension, curtailment or interruption in the provision of Electricity Services and Distribution Access Service.

5.3. Consequential Damages

The Town shall not be liable for special, indirect, punitive, exemplary or consequential damages resulting from or arising out of performance under these Terms and Conditions, including, without limiting the generality of the foregoing, loss of profits, loss of revenue, loss of production, loss of earnings, loss of contract, or any other indirect, special or consequential loss or damage of any kind whatsoever.

5.4. Town Not Liable for Retailer

The Town provides Connection Services, and Distributed Generation Interconnection Services to Customers under these Terms and Conditions. The Town also provides Retail Access Service to Retailers., Retailers and Customers may enter into an arrangement or agreement for the provision of services beyond those that the Town provides under these Terms and Conditions. The Town shall not

Page 23 of 57

be liable to a Customer or Retailer or other Person in law, equity, tort or contract for any loss, damage, injury or claim of any nature whatsoever, arising out of or in any way connected with:

- (a) The Town's conduct in compliance with, or as permitted or required by:
 - these Terms and Conditions,
 - (ii) a Retail Access Services Agreement, and
 - (iii) any legal or regulatory requirements related to Distribution Access Service;
- (b) any failure of a Retailer to comply with these Terms and Conditions or a Retail Access Services Agreement;
- (c) the presence, installation, or use of equipment installed by or on behalf of a Retailer;
- (d) any action taken by or on behalf of a Retailer;
- (e) any failure of a Retailer to perform any commitment to a Customer or any action including, but not limited to, the failure of a Retailer to provide services to a Customer as set out in any arrangement or agreement made between a Customer and a Retailer;
- (f) any acts, omissions or representations made or done by a Retailer in connection with soliciting Customers for Retail Access Services; or
- (g) the disclosure of Customer Information by a Retailer.

5.5. Indemnity

Customers and/or Retailers shall indemnify and hold harmless, and at the option of the Town, defend the Town from and against all claims, actions, costs, fees (including legal fees and disbursements on an indemnity basis), judgments, fines, penalties and any liability in law, equity, tort or contract for any loss, damage, injury or claim of any nature whatsoever, brought against the Town which arise from, result from, or are in any way connected with any act, omission or failure of the Customer, Retailer or any other Person arising from, resulting from or in any way connected with these Terms and Conditions, including the failure of a Retailer to obtain from a Customer any authorization or consent required or referred to in these Terms and Conditions, the Town's Distribution Tariff, a Distributed Generation Interconnection Agreement, or under any other arrangement or agreement with the Town, or between the Customer and a Retailer or between the Customer or Retailer and any third party.

Without limiting the generality of the preceding paragraph, the Customer or Retailer shall also indemnify and hold harmless, and at the option of the Town, defend the Town from and against all claims, actions, costs, fees (including legal fees and disbursements on an indemnity basis), judgments, fines, penalties and any liability in law, equity, tort or contract for any loss, damage, injury or claim of any nature whatsoever, brought against the Town by any Person, which arise from, result from, or are in any way connected with:

(a) Islanded Operation of the Customer's facilities;

Page 24 of 57

- (b) the failure of the Customer's facilities to detect and clear an electrical fault that occurs on the Facilities;
- (c) the failure of the Customer's facilities to shut down after De-energization of the Facilities and before the automatic reclosing of the Town's switching devices;
- (d) the routine presence in or use of Energy over the wires, cables, devices or other facilities owned or controlled by the Customer;
- (e) the failure of the Customer to perform any of their respective duties or obligations as set out in these Terms and Conditions; or
- (f) the Customer's improper use of Energy or electric wires, cables, devices or other facilities.

5.6. Interruption

The Town shall have the right, without any liability to Retailers, Customers or any other Person in law, equity, contract or tort, to De-energize or otherwise curtail, interrupt or reduce Electricity Services or any other service provided under these Terms and Conditions when:

- (a) the Town reasonably determines that such a De-energization, curtailment, interruption or reduction is necessary:
 - (i) to facilitate the construction, installation, maintenance, repair, replacement or inspection of any of the Town's Facilities;
 - (ii) to maintain the safety and reliability of the Town's Electric Distribution System, or a connecting entity's electrical system, or
 - (iii) due to any other reason, including Emergencies, forced outages, potential overloading of the Electric Distribution System or Force Majeure; or
- (b) The Town is directed to do so by the ISO.

The Town will make reasonable efforts to notify Customers of a De-energization, curtailment or interruption or reduction in Distribution Access Service, although it is understood and agreed that there may be circumstances in which no notice may be given prior to any such De-energization, curtailment, interruption or reduction.

The Town is not liable to Customers and Retailers or any other Person in law, equity, contract or tort for any loss, damage, injury or claim of any nature whatsoever arising from or connected in any way with:

- (a) a De-energization, curtailment, interruption or reduction in Electricity Services or any other service provided under these Terms and Conditions; or
- (b) the sufficiency or lack of notice given by the Town of a De-energization, curtailment, interruption or reduction in Electricity Services or any other service provided under these Terms and Conditions.

Page 25 of 57

5.7. Force Majeure

If an event of Force Majeure occurs that affects the Town's ability to provide any service provided under these Terms and Conditions, so far as they are affected by the event of Force Majeure or its consequences, the services shall be terminated if the event of Force Majeure is of such character or consequence as to make the further provision of the services impossible or impracticable, or the services shall be suspended until the event of Force Majeure or its consequences are remedied, and for such period thereafter as may reasonably be required to restore the services. Where reasonably practical, the Town shall give advance notice to the Customer or Retailer, of such event of Force Majeure. It is recognized and agreed that it may not be possible for the Town to provide advance notice of such event of Force Majeure, in which case the Town shall provide the Customer or Retailer, with notice as soon as practicable.

The Town is not liable to Customers or Retailers or any other Person in law, equity, contract or tort for any loss, damage, injury or claim of any nature whatsoever arising from or connected in any way with the sufficiency or lack of notice given by the Town of an event of Force Majeure.

6. DISPUTE RESOLUTION

6.1. Arbitration Procedure

Unless otherwise specified herein, disputes arising between the Parties shall be determined by arbitration. With respect to any matters not specifically set out in these Terms and Conditions, the provisions of the *Arbitration Act* shall apply.

6.2. Decisions Binding

A decision of the single arbitrator or the majority of three arbitrators named or appointed shall be final and binding upon each of the Parties to the dispute. The Parties shall abide by the terms of any award rendered without delay.

6.3. Resolution of Disputes Relating to the Terms and Conditions

If any dispute arises between the Town and a Retailer in connection with these Terms and Conditions, the Town and the Retailer will use reasonable efforts to resolve this dispute in an amicable manner. Either the Town or the Retailer may notify the other Party in writing that there is a dispute. The Town and the Retailer must meet within 10 days of this notice to try to resolve the dispute.

Page 26 of 57

If the Town and the Retailer are unable to resolve the dispute within 30 days after this meeting, they may jointly agree to a process for resolving their dispute. If they cannot agree on a process, either Party may submit the dispute to arbitration by sending the other Party a written notice of arbitration that requests arbitration and describes the dispute to be arbitrated.

6.4. Arbitration by a Single Arbitrator

If a dispute has not been resolved under Section 6.2 within 10 days after notice, from the Town, Customer or Retailer, of its desire to have the dispute resolved, then the dispute shall be resolved pursuant to the procedure set out in Section 6.4. The default arbitration process is arbitration by a single arbitrator jointly appointed by the **Parties** to the dispute. However, if the **Parties** cannot agree on an arbitrator within 10 days of the notice of arbitration, the dispute will be heard by a panel of three arbitrators.

6.5. Arbitration by Three Arbitrators

If the Parties to a dispute, that has been submitted to arbitration, cannot agree on a single arbitrator within 10 days of the notice of arbitration, the dispute will be heard by three arbitrators. No later than 5 days after the expiry of the 10-day period referred to above, each party will appoint one arbitrator. If a Party fails to appoint an arbitrator within this period, the other Party may, on notice, apply to the Court of Queen's Bench of Alberta to have a Justice of that court appoint an arbitrator.

The two arbitrators will appoint the third arbitrator no later than 10 days after the expiry of the 5-day period referred to above, and the jointly appointed third arbitrator will chair the arbitration panel. If the two arbitrators are unable to agree upon a third arbitrator, either Party may apply, on notice, to the Court of Queen's Bench of Alberta to have a Justice of that court appoint the third arbitrator.

6.6. Qualification of Arbitrators

Any arbitrator appointed under this section must have the technical or other qualifications necessary to properly make a decision on the dispute.

6.7. Date of Decision

Once the arbitration panel has been appointed (whether it is one arbitrator or three) that panel must render a decision on the dispute within 90 days of the last appointment date.

Page 27 of 57

If the panel does not render a decision within this time period, then by giving 30 days' notice to the other Party and the arbitration panel, either Party may cancel the arbitration and either issue a new notice of arbitration or have the dispute resolved in court as if this SECTION 6 -did not exist.

6.8. Decision of Arbitrators Is Final

A decision by the single arbitrator or by a majority of the three arbitrators is final and binding on the Parties, and neither Party may appeal the decision.

6.9. Application of the Arbitration Act

Any arbitration under these Terms and Conditions will be conducted in accordance with the Arbitration Act. If there is a conflict between these Terms and Conditions and the Arbitration Act, these Terms and Conditions will prevail, to the extent of the conflict.

6.10. Continuation of Obligations and Responsibilities

The submission of a dispute to the dispute resolution process does not relieve a Party to the dispute from any of its obligations or responsibilities under these Terms and Conditions.

7. MISCELLANEOUS

7.1. Compliance with Applicable Legal Authorities

The Town and the Customer and Retailer are subject to, and shall comply with, all existing or future applicable federal, Provincial and local laws, all existing or future orders or other actions of the ISO or of governmental authorities having applicable jurisdiction. The Town will not violate directly or indirectly, or become a Party to a violation of any requirement of the ISO or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide any services Town's obligation to provide service under these Terms and Conditions is subject to the condition that all requisite governmental and regulatory approvals for the provision of such service will have been obtained and will be maintained in force during such period of service.

7.2. No Waiver

The failure of any Party to insist on any one or more instances upon strict performance of any provisions of these Terms and Conditions, or a Retail Access Services Agreement, or an Interconnection Agreement, or to take advantage of any of its rights hereunder, shall not be

Page 28 of 57

construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or condition of these Terms and Conditions, a Retail Access Services Agreement or an Interconnection Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.

7.3. No Assignment

A Customer or Retailer may not assign any rights or obligations under these Terms and Conditions without obtaining all necessary regulatory approval(s); and prior written consent of the Town, which consent shall not be unreasonably withheld.

The Town may assign any or all of its rights and obligations under these Terms and Conditions, the Retail Access Services Agreement, and the Interconnection Agreement, without the Customer's or Retailer's consent, to any entity provided the assignee agrees, in writing, to be bound by all of the Terms and Conditions hereof and provided all necessary regulatory approvals are obtained.

No assignment shall relieve the assigning Party of any of its obligations under these Terms and Conditions, the Retail Access Services Agreement, or the Interconnection Agreement, until such obligations have been assumed by the assignee in writing. Any assignment in violation of these Terms and Conditions shall be void.

8. DEFAULT

8.1. Event of Default

A Party will be deemed to be in default ("**Defaulting Party**"), of its obligations under the Town's Distribution Tariff if it:

- (a) is the subject of a bankruptcy, insolvency or similar proceeding;
- (b) makes an assignment for the benefit of its creditors;
- (c) applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;
- (d) violates any code, regulation or statute applicable to the supply of Energy; or
- (e) fails to pay the other Party ("Non-Defaulting Party"), when payment is due, or to satisfy any other obligation or requirement under the Town 's Distribution Tariff, Retail Access Services Agreement, or the Interconnection Agreement, and fails to remedy any such

Page 29 of 57

failure or delinquency within three Business Days after receipt of written notice thereof from the Non-Defaulting Party.

8.2. Rights Upon Default

In an event of default, the Non-Defaulting Party shall be entitled to pursue any and all available legal and equitable remedies and terminate the Retail Access Services Agreement or Interconnection Agreement without any liability or responsibility whatsoever except for obligations arising prior to the date of termination, by written notice to the Defaulting Party, subject to any applicable regulatory requirements.

The Town may access security posted by a Party without prior notice, if the Party files a petition in bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Party), becomes a Defaulting Party or if for any reason a Party ceases to provide service to its Customers.

If a Party fails to make payment as set out in these Terms and Conditions, the Town may immediately withhold or suspend the Party's service, terminate service, transfer the Retailer's Customers to the Default Supplier in the case of a Retailer, and apply any security held by the Town before the service coverage period of the security expires. Notwithstanding action provided for or taken pursuant to the preceding sentence, the Town may take credit action against any Party with respect to an account on which payment is not made to the Town. The Town may assess the Party for any or all administrative and collection costs relating to the recovery by the Town of amounts owed.

If a Party fails to provide or maintain adequate security upon the Town's request, the Town may immediately withhold or suspend services provided to the Party pursuant to these Terms and Conditions.

If a Party or Person who guarantees the financial obligations of the Party, as the case may be, ceases to be in the Town's estimation, creditworthy, the Town will demand alternative security and, if not provided, may immediately suspend the provision of further services to the Party

9. INVOICING

On behalf of the Town, EPC will invoice Retailers, the Regulated Rate Provider or the Default Supplier for Distribution Tariff services and transaction related services provided to the Retailer's customers under the Town Distribution Tariff.

Page 30 of 57

9.1. Distribution Tariff Invoices

The Town will provide invoices to each Retailer as set out in the Distribution Tariff Rate Schedule. Distribution Tariff invoices from the Town are due as of the Invoice Date.

9.2. Billing to Customer

Normally, the Customer's Retailer will also be responsible for any direct billing to and collections from the Customer related to Customer Contributions, Fees or charges for other services. In some circumstances, the Town may bill customers directly for specific services.

9.3. Late Payment

Any invoice rendered to a Customer for which valid payment has not been received as set out in these Terms and Conditions shall be considered past due. The penalty for late payment charges as set out in the Fee Schedule will be applicable to the total current charges outstanding. Payments will be applied first to arrears and then to current charges.

9.4. Default or Failure to Pay

Customers who fail to make payments for Distribution Tariff services on time will be notified immediately. Failure to make full payment after notification may result in suspension of Retailer eligibility status as set out in these Terms and Conditions.

9.5. Estimated Invoices

The Town reserves the right to provide invoices based on estimated consumption.

9.6. Payment of Accounts

The Town bills the Retailer for the entire amount for all customers served by that Retailer on the Cardston system. The Retailer is obligated to pay the entire amount stated on the invoice without deduction, set-off or counterclaim, notwithstanding any dispute in whole or in part of the amount. This includes Local Access Fees and all sales, excise or other taxes with respect to any service the Town provides.

Any invoice rendered to a Retailer is due on the Invoice Date. Invoices shall be deemed paid when payment is made either by way of cheque or electronic funds transfer to the bank account specified by the Town pursuant to the Retail Access Services Agreement. Payments

Page 31 of 57

received in foreign currency will be credited to the Retailer's account based on the foreign exchange dealer bid price that the Town receives on the date the payment is deposited. Any dispute with respect to a Retailer's invoice shall be resolved by the dispute resolution processes.

Failure to receive an invoice does not release a Retailer from the obligation to pay the amount owing for any Retail Access Services provided by the Town with payment due dates as outlined in these Terms and Conditions.

9.6.1. No Payment Required

No payment shall be required on invoices or credit invoices on which the total amount due is less than \$10.00.

9.6.2. Refunds

Refund cheques will be generated for credit invoice balances exceeding \$10.00 and 30 days on Retailer's account.

9.7. Rate Changes and Billing

9.7.1. Demand Waiver

The Town may consider granting a Demand waiver request when the new Demand is the result of a Town of Cardston system power outage, which consequently requires the simultaneous start of the Customer's equipment. The Customer's normal Demand will replace the new peak Demand for invoicing purposes in this situation; or the new peak Demand. If the request is granted, the Billing Demand will be the higher of the Minimum Contract Demand or the Ratchet Demand. In addition, the peak Demand caused during the simultaneous start of the Customer's equipment will be excluded from the Ratchet Demand. A Demand waiver request must be provided, in writing, to the Town within 90 days of the power outage.

9.7.2. Rate Changes

If the operational characteristics of your Site change, you may be eligible for a different rate. If you wish to switch to a different rate, you may request a rate change in writing, either by contacting your Retailer or by contacting the Town directly. Your request must include information about how the operational characteristics of your Site have changed and why those changes qualify you for the rate you wish to change to.

Page 32 of 57

When we receive your rate change request, we will review it and provide you with a decision as quickly as reasonably practicable. You may only request one rate change in any 12-month period unless the change in eligibility is the result of a change in ownership or occupancy. Section 3.15 may apply to a request for a rate change, and depending on the circumstances, we may require you to make a Customer Contribution, or we may be required to refund part of a Customer Contribution you have already made. Under no circumstances will we refund the difference in charges between the rate you were subject to in a past period and the new rate we allowed you to switch to, even if you were eligible for the new rate before the switch.

9.7.3. Billing Period

Invoices for a Point of Service are issued once each billing period. The billing period is the time between one Meter reading and the next (or if a Meter reading is not done, the time between one estimate of your Electricity consumption and the next estimate or Meter reading). The billing period generally ranges between 27 and 35 days. When The Town determines the billing period for each Point of Service, we will comply with the requirements of the Tariff Billing Code. You or your Retailer, Regulated Rate Provider or Default Supplier may ask us for a Meter reading at any time, but we have the right to charge a fee for such "off-cycle" Meter readings, as set out in Schedule A. We may change your billing period.

9.7.4. Billing Period Change and Adjustments

We have the right to change your billing period. If we change your billing period, any charges other than Electricity-based charges during the transition period between the old billing period and the new billing period will be calculated based on the number of days in the transition period. The number of days in the transition period will generally be different from the number of days in both the old and new billing periods. The Town will correct any billing errors we make, but only if they are discovered or brought to our attention within 24 months

The Town will correct any error in the amount of fees or charges that we have invoiced your Retailer in respect of your Site in accordance with the Retailer Terms and Conditions, except for any errors for a billing period that is more than 24 months earlier than the billing period in which we discovered the error or you brought it to our attention, unless we are required to do so by any governmental authority, legislation, regulation or AUC rule. The Town does not pay or charge interest on any billing adjustments that we make as a result of our error.

Page 33 of 57

10. CUSTOMER PROTECTION

Customers always have the right to access their information held by the Town. Any Retailer chosen by a Customer should have access to basic information held by the Town that is needed to serve the Customer and operate its business efficiently.

The Town will ensure that other Parties' access to Customer information is restricted unless the Customer consents to the disclosure of this information in a manner permitted under the *Code of Conduct Regulation* (Alberta) provided however that such information shall not be considered confidential where:

- (a) the information is generally available to the public; or
- (b) must be disclosed by law to a governmental authority where there is no reasonable alternative to such disclosure.

Information may be transferred without consent in the case of legal, regulatory or law enforcement requirements.

11.0 APPLICATION FOR CONNECTION SERVICES

11.1. Provision of Connection Services

Upon request, the Town will provide Connection Services to Customers requesting such services and who meet the application requirements set out in these Terms and Conditions. The Town will make reasonable efforts to provide Connection Services that will allow for the supply of Energy to the Customer's facilities at a nominal 60-Hertz alternating current and at the nominal voltage level for the Service Connection and variations, which comply with the Canadian Standards Association standards.

The Town shall make all reasonable efforts to provide a continuous supply of Energy to its Customers, but cannot guarantee an uninterrupted supply of Energy. Notwithstanding any other provision of these Terms and Conditions, in cases where the Connection Services are interrupted by defective equipment or fail from an event of Force Majeure, unless through the negligence of the Town's employees, servants or agents, the Town will not be liable for the defect, irregularity, interruption or failure.

The Town website provides additional information on making an Application for Connection Services to allow for the supply of electricity as set out in these Terms and Conditions. Some

Page 34 of 57

voltage levels may not be available at all locations served by the Town's Electric Distribution System. Applications will be received through any agent or duly authorized representative of the Town. The Customer of record will be either:

- (a) the owner of the premises serviced; or
- (b) a tenant meeting credit requirements.

11.2. Application for Connection Services

11.2.1. Method and Form of Application

If a Customer is not of the age of majority as defined in the *Age of Majority Act* (Alberta), a deposit may be required in order to obtain Connection Services. The Town reserves the right to verify the identity of the Customer and the accuracy of the information provided and to require the Customer to sign an application in writing on forms provided by the Town. No servant, agent or employee of the Town is authorized to modify orally any provisions of a written application or to bind the Town to any promise or representation contrary thereto. Modifications of written applications shall be in writing and duly executed by an authorized Municipal representative.

11.2.2. Application by Retailer or Other Person

A Retailer or any other Person acting as agent of a Customer may apply for Connection Services on behalf of the Customer if the Retailer or other Person provides the Town with verifiable Customer authorization to make the application. The Customer authorization must be dated and signed by the Customer and must include the Customer's name and explicit expression of the Customer's intention to obtain Connection Services at a specified Site.

11.2.3. Provision of Information

Upon request, the Town shall furnish to any Person, detailed information on the method and manner of making application for Connection Services. Such information may include a description of the Service Connections available, connections necessary between the Facilities and the Customer's facilities and premises, location of entrance Facilities and metering equipment, and Customer and Town responsibilities for installation, operation and maintenance of the Facilities.

The Town may require an applicant for Connection Services to provide:

Page 35 of 57

- information regarding the location of the premises to be served (municipal address), the Customer's Connected Load (a single line diagram) and preferred supply conditions (interconnection requirements and a requested in-service date) and the manner in which Connection Services will be utilized;
- (b) site mechanical and final grading plans showing roads, driveways, sidewalks, building outlines, requested transformer location, final grade, landscaping, and gas and deep utility plans;
- (c) credit information or references; and
- (d) any other information that the Town reasonably requires; and
- (e) an estimate of expected maximum instantaneous demand per month.

Upon receipt of the required information, the Town will advise the applicant of the type and character of the Connection Services it will furnish to the Customer, (if any), any special conditions that must be satisfied before the Town will provide any Connection Services, the Site at which the Connection Services will be provided, the Customer's Distribution Tariff Billing Demand and, if requested, the location of the Town's metering and related equipment.

11.2.4. Rejection of Application

The Town may, in its sole discretion, reject any applicant's request for Connection Services where:

- (a) the type of Connection Services applied for are not available or normally provided by the Town in the area where the Connection Services are requested;
- (b) the applicant or the Customer does not have all requisite permits, certificates, licenses, or other authorizations or right-of-way agreements for the installation and operation of Connection Services;
- (c) The Town determines, that the Customer is not creditworthy or that a previous account held by the Customer with the Town is in arrears;
- (d) the Customer fails to provide an acceptable security deposit or letter of credit;
- (e) any representation made by the applicant or the Customer to the Town for the purpose of obtaining Connection Services is, in the Town's opinion, fraudulent, untruthful or misleading;
- (f) the Customer has not, when requested by the Town to do so, provided a signed written application for Connection Services;

Page 36 of 57

- (g) the proposed Loads, in the Town's opinion, have characteristics that might adversely affect the quality of service supplied to other Customers, the public safety, or the safety of the Town's personnel;
- (h) the Town determines that adequate space has not been provided by the Customer for the Town to install the required facilities; or

11.2.5. Approvals

The applicant for Connection Services shall be responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations and right-of-way agreements necessary for the installation and operation of the Connection Services and shall submit copies of them to the Town upon request. the Town shall not be required to commence or continue installation or provision of Connection Services unless and until the applicant and the Customer have complied with the requirements of all governmental authorities, all permits, certificates, licenses, inspections, reports and other authorizations, and all right-of-way agreements, and all the Town requirements applicable to the installation and provision of Connection Services.

11.2.6. Cost Estimate and Payment

After the Town has approved your request for Connection Services, you will be provided with a written estimate. The estimate will contain an estimated cost of your Service Connection after taking into account investment made by the Town. The Town will require an initial payment of 10% of the estimated total project cost to cover the estimated cost of preliminary engineering or design work related to an application for Connection Services before we carry out any preliminary engineering or design work. If you cancel or withdraw your application for service, we will return to you any part of your initial payment that we have not used to carry out preliminary engineering or design work.

Once we have completed the preliminary engineering and design work, if you decide to proceed with the next phase of the work, we will apply any unused portion of the initial payment to this next phase of work. If the Customer decides not to proceed with the next phase of the work, the Town will charge or refund the difference, if any, between the initial payment and the actual cost of the preliminary engineering and design work.

If the Customer cancels or withdraws the request for Connection Services or a Service Connection after we have begun work to provide those services or that connection, the Customer must pay all of the costs that the Town has incurred that are related in any way with your request and its cancellation or withdrawal.

Page 37 of 57

11.3. Customer Responsibilities

11.3.1. Rights of Way

At the request of the Town, the Customer shall grant, or cause to be granted to the Town, without cost to the Town, such easements, rights-of-way and rights of entry over, upon or under the property owned, occupied or controlled by the Customer as the Town reasonably requires for the construction, installation, maintenance, repair and operation of the Facilities required for Connection Services and the performance of all other obligations required to be performed by the Town hereunder.

In all agreements between the Customer and the Town regarding the management of vegetation, the Customer is required to give the Town permission to manage and remove vegetation on the property owned or controlled by the Customer and the right to maintain proper clearances as set out in the Alberta Electrical Utility Code. The Town will make reasonable efforts to notify the Customer before such work is performed.

The Customer shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe operation of the Facilities or result in non-compliance with applicable statutes, regulations, standards and codes.

The Town has the right to enter your Property without paying compensation for any purpose that is reasonably related to Town Facilities located on Your Property, or Facilities that we cannot reasonably access except from Your Property.

The Town will try to give you 48 hours notice when we need to enter onto Your Property, unless we only need access to the front yard of a residence or a part of Your Property that is generally accessible to the public. However, in the case of an emergency or where we need to enter your property to De-Energize or Re-Energize a Site, to read, replace or repair a Meter or to install or remove a Load Limiting Device or Load Limiting Program, we are not required to give you notice.

If we have given you notice that we need to enter onto Your Property and you ask us to reschedule outside of our normal business hours (which are 7:00 a.m. to 4:00 p.m. Monday to Friday), we will try to accommodate your request. Whether we can accommodate a request for "off-hours" access is solely our decision and will depend on several factors, including the urgency of the need to access Your Property and the availability of our crews. If we do accommodate a request for off-hours access, we have the right to require you to pay the Customer Requests - Off Hours fee set out in Schedule A.

Page 38 of 57

You must not prevent or interfere with our access to Your Property.

11.3.2. Access to the Customer's Property

In order to provide you with Connection Services, and to operate and maintain the Town Electric Distribution System, we need to be able to access parts of Your Property.

By taking Connection Services from us, you are deemed to have granted us, free of charge, any easements, rights-of-way and rights of entry over, upon or under Your Property that we require related in any way to the Facilities required to provide you with Connection Services and for us to construct, install, extend, repair, operate and maintain our Electric Distribution System unimpeded. This includes Facilities that are part of our Electric Distribution System that are not dedicated to serving you alone.

By taking Connection Services from us, you are also deemed to consent to the registration against the title to Your Property of our interest in these easements, rights-of-way and rights of entry over, upon or under Your Property, as we may reasonably require. If for any reason you request us to relocate our Facilities, we will determine whether the relocation is feasible. If it is, and if we relocate our Facilities at your request, you must pay us all of the costs of the relocation, including the cost of removing and re-installing our Facilities.

11.3.3. Management of Vegetation

Customers will permit the Town to manage and remove vegetation on Your Property to reduce the risk of contact with our Facilities or to maintain proper clearances as required by the Alberta Electrical Utility Code and any other legal requirements. We will make a reasonable effort to notify you before such work is performed.

However, even though we have the right to manage vegetation on Your Property, the responsibility for maintaining proper clearances on Your Property between vegetation and Your Equipment is yours and yours alone.

At your request, we will De-Energize your Site to allow you to manage vegetation to maintain proper clearances on Your Property. We will work with you to schedule the De-Energization, but depending on how much notice you give us, we may not be able to De-Energize your Site on your preferred day and time.

11.3.4. Customer Liability

Page 39 of 57

For Customer owned equipment and facilities, the Customer assumes full responsibility for the proper use of Connection Services provided by the Town and for the condition, installation, suitability and safety of any and all wires, cables, devices or appurtenances or facilities Energized on the Customer's premises, or on premises owned, controlled or occupied by the Customer.

11.3.5. Protective Devices

The Customer shall be responsible for determining whether the Customer needs any devices to protect the Customer's facilities from damage that may result from the use of Connection Services including, without limiting the generality of the foregoing, single phasing protection on three-phase Service Connections. The Customer shall provide, install, and maintain all such devices.

11.3.6. Standards for Interconnection

The Customer's installation shall conform to the requirements of the Town. Refer to Town of Cardston Metering Guide and Interconnection Agreements.

11.3.7. Suitability of Equipment

All of the Customer's facilities shall be suitable for operation with Connection Services and Facilities provided by the Town. The Customer shall not use Connection Services for any purpose, or with any apparatus, that could cause a power quality disturbance greater in magnitude than normal or acceptable industry limits, to any part of the Town's Electric Distribution System.

11.4. Connections

11.4.1. Interference with the Town's Property

No one other than an authorized employee or agent of the Town shall be permitted to remove, operate, or maintain Meters, electric equipment or other Facilities. The Customer shall not interfere with, extend or alter the Town's Meter, seals or other Facilities or permit the same to be done by anyone other than the authorized agents or employees of the Town. Municipal facilities shall be installed at points most convenient for the Town's access and service and in conformance with applicable public regulations. The Customer shall be responsible for all destruction, loss or damage to the Town's Meters, electric equipment, seals or other Facilities located on the Customer's premises or on premises owned, operated or controlled by the

Page 40 of 57

Customer where the destruction or damage is caused by a negligent act or omission or willful misconduct of the Customer or anyone permitted by the Customer to be on the premises, provided however, that the Customer shall not be liable for such destruction, loss or damage where such destruction, loss or damage is due to circumstances beyond the Customer's control.

11.4.2. Protection of the Town's Equipment

The Customer shall furnish and maintain, and arrange access to, at no cost to The Town, the necessary space, housing, fencing, barriers, and foundations for the protection of Facilities necessary for the provision of Connection Services to be installed upon the Customer's premises, or on the premises owned, occupied or controlled by the Customer, whether the Facilities are furnished by the Customer or by the Town. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to the Town's specifications and approval. If the Customer refuses, The Town may at its option furnish and maintain, at the Customer's cost, the necessary protection.

11.4.3. Unauthorized Use or Unsafe Conditions

If the Town determines that there has been an unauthorized use of Energy or Connection Services including but not limited to any tampering with a Meter or other Facilities, unauthorized Energization or Re-Energization, or theft or fraud, intentional or unintentional use of Energy whereby the Town is denied full compensation for services provided, the Town may make such changes in its Meters, appliances, or other Facilities or take such other corrective action as may be appropriate to ensure only the authorized use of the Facilities and Connection Services, and also to ensure the safety of the general public and Municipal Personnel and the Customer is hereby deemed to consent to such corrective action. Upon finding an unauthorized or unsafe use of Facilities or Energy or finding that Connection Services have not been used as set out in these Terms and Conditions, the Town may discontinue the Connection Services and charge the Customer, Retailer or any other Person acting as agent for the Customer for all damages suffered by the Town and all costs incurred in correcting the condition. Nothing in this Section shall be deemed to constitute a waiver of any other rights of redress which may be available to the Town or to limit in any way any or limitation of legal recourse which may be open to the Town.

11.4.4. Relocation of Facilities

The costs of relocating the Town's Meter, seals or other Facilities shall be borne by the Customer when done at the Customer's request, for the Customer's convenience, or if

Page 41 of 57

necessary to remedy any violation of law or regulation caused by the Customer. If requested by The Town, the Customer shall pay estimated relocation costs in advance.

11.4.5. Customer's Facilities

For Customer owned facilities, the Customer will ensure that its facilities comply with the applicable requirements of the Canadian Electrical Code and with all technical guidelines issued from time to time by the Town. The Customer shall not use its Connection Services in a manner which causes undue interference with any other Customer's use of Connection Services such as an abnormal disturbance to the voltage, frequency and waveform of the Energy supply. At the Town's request, the Customer shall, at the Customer's expense, take whatever action is required to correct such interference or disturbance. Alternatively, the Town may elect to correct the interference or disturbance at the Customer's expense.

The Customer shall design, install and operate its facilities in such a manner as to maintain a Power Factor of not less than 90%. the Town may require any Customer not satisfying this Power Factor requirement to furnish, install, and maintain, or the Town may install at the Customer's cost, such remedial or corrective equipment as the Town may deem necessary under the circumstances.

The Customer shall not, without the written consent of the Town, use its own facilities in parallel operation with the Town's Electric Distribution System. A Customer shall not extend or permit the extension of its facilities connected to the Town's Electric Distribution System beyond property owned, controlled or occupied by that Customer.

11.4.6. New Multiple Dwellings

All units in new multi-unit residential buildings (including apartment and condominium buildings) will be metered and billed on an individual basis, unless the Town agrees otherwise.

Where the Town and a Customer have agreed that service to a new multiple dwelling shall be delivered through a single meter, the applicable commercial rate schedule will apply to the service.

11.5. Change in Connection Services

11.5.1. Prior Notice by Customer

A Customer shall give the Town reasonable written notice prior to any change in the Customer's requirements for Connection Services, including any change in Connected Load, to enable the

Page 42 of 57

Town to determine whether it can accommodate such change without alterations to its Facilities. A Retailer or any other Person who is acting as agent for a Customer and who provides the Town with verifiable authorization from the Customer may give such notice to the Town on the Customer's behalf. If the Town receives such notice from a Retailer or other Person, the Town may at its option require that such notice be provided directly from the Customer.

The Customer shall not change its requirement for Connection Services without the Town's written permission. The Customer shall be responsible for all damages, whether direct or indirect or consequential, caused to the Town's Electric Distribution System or Facilities as a result of the Customer changing its requirements for Connection Services without the Town's permission.

11.5.2. Changes to Facilities

If the Town must modify its Facilities to accommodate a specific request for change, howsoever caused, in a Customer's requirements for Connection Services, the Customer shall pay for all costs attributable to such modification including, without limitation, the following costs:

- (a) the estimated cost of removing the Facilities, less the estimated salvage value, plus
- (b) the estimated cost of installing the new Facilities, less
- (c) any applicable the Town investment in new Customer load, plus
- (d) prepaid operations and maintenance: 20% of the estimated costs of any Facilities that the Town deems to be Optional Facilities for the Customer. To be applied when the Town anticipates increased operation and maintenance expenses associated with the Customer's proposed facilities.

11.6. De-energization of Service

11.6.1. De-energization at Request of Customer

The Customer may on 30 day's prior oral or written notice to the Town, request the temporary De- energization of the Electricity Services. De-energization notice can be revoked with at least 48 hours notice in advance of the scheduled De-energization date. Per section 18.6.4, the Customer will be required to pay a fee for re-energization. In the case of permanent De-energization, the Customer may also be required to pay for any unrecovered investment made by the Town in respect of providing the Customer's Electricity Services. If your Site remains De-Energized for 18 months or more, we will consider it to be permanently De-Energized and

Page 43 of 57

section 18.6.5 will apply. If we temporarily De-Energize your Site or discontinue, restrict, or interrupt your Connection Services for any reason, you must continue to pay all of the charges under our Distribution Tariff, including the local access fee and all charges under the applicable Rate Schedule for the period during which your Site was De-Energized or your Connection Services were discontinued, restricted or interrupted.

11.6.2. De-energization for Safety Reasons

The Town reserves the right to discontinue Connection Services to a Customer at any time without notice, or to refuse to make such Connection Services available to the Customer, where, in the Town's opinion:

- (a) the Customer has permitted the Customer's facilities to become hazardous;
- (b) the Customer's facilities are unsafe or defective or will become unsafe or defective imminently;
- (c) there has been tampering with any service conductors, seals or any Facilities or any Meters that may be used for unlawful purposes;
- (d) the Customer's facilities fail to comply with applicable statutes, regulations, standards and codes and the Town's requirements; or
- (e) the use of Connection Services may cause damage to the Facilities or the Electric Distribution System or interfere with or otherwise disturb any other service provided by the Town.
- (f) you own or operate a Generating Unit that is connected to our Facilities that you have not told us about,
- (g) you own or operate any equipment that is capable of producing or storing power, whether or not that equipment is connected to or otherwise associated with a Generating Unit, and we reasonably believe that your operation of that equipment has caused or may cause a disturbance or power quality issues on our Electric Distribution System, or
- (h) we reasonably believe that the continued provision of Connection Services to Your Property could cause damage to our Facilities or our Electric Distribution System or interfere with or otherwise disturb any other services we provide.

The Town will continue Connection Services when the condition has been rectified to the Town's satisfaction, when the Customer has provided, or paid the Town's costs of providing, such Facilities as may be necessary to rectify the condition and prevent the condition from reoccurring, and the Customer's facilities are approved by the appropriate authority. The Town

Page 44 of 57

shall make a reasonable effort to notify each Customer, within a reasonable time after Deenergization, of the reason for the De-energization and the actions required for Re-energization.

11.6.3. De-energization Other Than for Safety

The Town may at any time, after having given at least 48 hour's oral or written notice to a Customer, discontinue Connection Services or install a Load Limiting Device to restrict the capability of Connection Services if the Customer:

- (a) violates any provision of these Terms and Conditions or other components of the Distribution Tariff;
- (b) neglects due payment to the RRP or Default Supplier and the RRP or Default Supplier requests De-energization. In this case, for residential Customers (rate class CRD100), the Town will install a Load Limiting Device, in accordance with the *Distribution Tariff Regulation* (Alberta);
- (c) upon receiving a written request to provide access to the Meter, neglects to arrange such access;
- (d) changes its requirements for Connection Services without the written permission of the Town; or
- (e) provides the Town with incorrect information or makes fraudulent or unauthorized use of Connection Services.

The Town will make a reasonable effort to notify you, within a reasonable time after De-Energization, of the reason for the De-Energization or the discontinuation, restriction, or interruption of your Connection Services and the steps you must take before we will Re-Energize your Site or restore your Connection Services.

11.6.4. Re-energization of Service Other Than for Safety

If Connection Services to a Customer are De-energized or restricted by a Load Limiting Device the Customer shall, prior to Re-energization of services:

- (a) the condition that caused us to De-Energize the Site, discontinue, restrict, or interrupt your Connection Services, or refuse to make Connection Services available to Your Property has been corrected to the Town's satisfaction,
- (b) pay any amount owing to the Town; and, the RRP or the Default Supplier (including any related restoration fees); and/or

Page 45 of 57

(c) resolve any non-financial reason for the De-energization.

11.6.5. Removal of Facilities

Upon termination of Connection Services, the Town will be entitled to enter upon and remove from the property owned, occupied or controlled by the Customer any of the Facilities located upon the property.

11.6.6. No Liability for De-energization or Disconnection

The Town is not liable to Customers or any other Person for any loss, damage, injury or claim of any nature whatsoever, including any form of direct damages, indirect damages, consequential damages, loss of income, loss of revenue or loss of profit, arising from or connected in any way with:

- De-Energization of a Site or the discontinuation, curtailment, interruption or reduction of Connection Services or any other service we provide, or
- the failure to give notice or the content of the notice of a De-Energization, discontinuation, curtailment, interruption or reduction in Connection Services or any other service we provide.

12. REVENUE METERING EQUIPMENT

12.1. Installation, Provision and Ownership

The Town shall provide, install and seal one or more Meters for the purpose of measuring the Energy delivered to a Customer. Each Meter shall remain the sole property of the Town regardless of the degree to which the Meter may be affixed to the Customer's premises, or to premises owned, occupied or controlled by the Customer or equipment.

12.2. Responsibility of Customer

Each Customer shall provide, own and install a Meter socket or Meter enclosure and other approved and required Facilities suitable for the installation of the Town's metering equipment.

12.3. Installation of Metering Equipment

Page 46 of 57

Only Town authorized employees and contractors are permitted to install, remove, operate, or maintain Town Meters, electric equipment or any of our other Facilities required to provide Connection Services to you.

The Town has the right to decide where to install our Facilities, including Meters, on Your Property. The location of the Meter must conform to the specifications set out in our Service and Metering Guide on the Town website. If you would like us to install our Facilities in a different location other than the one we choose, you may propose an alternate location. However, we have the right, in our sole discretion, to deny your request to install our Facilities in an alternate location. If we agree to install our Facilities in an alternate location, you are responsible for any increased costs of installing the Facilities in the location you proposed relative to the location we chose.

Customers must not interfere with or alter Town Meters, seals or other Facilities in any way. For example, neither you nor anyone authorized or hired by you, including an electrician or electrical contractor, is allowed to:

- install a Meter or any other of our Facilities,
- remove a Meter or any other of our Facilities,
- change the location of a Meter or any other of our Facilities, including moving them to other premises,
- unseal a Meter,
- make any alterations whatsoever to a Meter or any other of our Facilities,
- do anything that would or could alter the operation of a Meter or any other of our Facilities, or
- do anything that could result in Electricity bypassing a Meter.

If you, or anyone authorized by you, interferes with or alters any of our Facilities, including doing any of the things described above, you will be responsible for any destruction, loss or damage to our Meters, or any of our other Facilities located on Your Property. You will also be liable for the cost of restoring our Facilities to their original state or location, and the testing and inspection of our Facilities, even if there is no loss or damage.

12.4. Access to Metering Equipment

The Town may, at any reasonable time, read, inspect, remove and test its Meter installed on property owned or controlled by the Customer. The Town's employees, agents and other representatives shall have the right to enter property owned, occupied or controlled by a Customer at all reasonable times and intervals for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing the Town's electrical equipment and appliances or other Facilities or of discontinuing service or for any other purpose incidental to

Page 47 of 57

the provision of Connection Services and the Customer shall not prevent or hinder the Town's entry.

12.5. Changes to Metering

The Town may at any time change any Meter it installed. Customer requests for a new Meter will be processed on an individual basis. If Town Meter, seals or other Facilities are relocated at your request or to remedy any violation of law or regulation caused by you, you must pay our relocation costs. We may require that you pay the estimated relocation costs in advance.

12.6. Interval Metering

The Town will install Interval Meters at new Sites with a planned installed capacity of 150 kVA or greater, or as required by the Micro-Generation Regulation. We will replace a non-interval Meter with an Interval Meter at an existing Site at our cost:

- when the Demand registers 150 kVA or greater twice in a twelve-month period, or
- when modifications are made to the Electric Distribution System infrastructure to supply a Site with a capacity of 150 kVA or greater.

Once an Interval Meter has been installed at a Site, we will not remove it, even if you ask us to, unless the Site is permanently De-energized, even if the Customer changes.

You may request an Interval Meter, communication device or non-standard Meter but you will be responsible for the costs

12.7. Costs of Interval Meters

If you request, we may, at our sole discretion, agree to install:

- an Interval Meter when your capacity requirement is less than 150 kVA,
- a communication device attached to an existing Meter, or
- a Town approved non-standard Meter.

If we agree to install a different type of Meter or a communication device at your request, we will bill you or your Retailer for all costs of providing and installing the Meter or communication device. We will own the Meter or the communication device.

Page 48 of 57

13. DISTRIBUTED GENERATION SERVICES

13.1. Micro-Generation Regulation

The Micro-Generation Regulation has been established under the EUA. The Town will comply with this Regulation and all associated rules and guidelines as established by the AUC.

13.2. Provision of Distributed Generation Interconnection Services

The Town will provide Distributed Generation Interconnection Services to Distributed Generators requesting such services who meet the application requirements set out in these Terms and Conditions. The Town will make reasonable efforts to provide Distributed Generation Interconnection Services that will allow for the supply of Energy from the Distributed Generator's facilities, in a manner that does not degrade power quality, operability or reliability of the IES. Notwithstanding any other provision of these Terms and Conditions, in cases where the Distributed Generation Interconnection Services are interrupted by defective equipment or fail from an event of Force Majeure, unless through the negligence of the Town's employees, servants, agents or contractors, the Town or its employees, servants, agents or contractors will not be liable for the defect, irregularity, interruption or failure.

Procedural and technical requirements established by the Town are guidelines for connecting facilities to the Municipal Electric Distribution System and are described:

- (a) in "Guide for Generator Interconnection to The Wires Owner Distribution System", "Guide for Micro-Generator Interconnection to the Wires Owner Distribution System", Requirements for Distribution Wires Access and Network Servicing Policies and Guidelines; or
- (b) for Micro-Generator facilities, in any applicable technical guidelines under the *Micro-Generation Regulation*.

These and related documents are, or will be, posted on the EPC or AUC websites, and can be obtained from EPC.

Both the Town and the Distributed Generator shall operate and maintain their respective facilities as set out in the ISO policies. The standards imposed by ISO may change and Parties are expected to comply with any changed standards upon receipt of notice or otherwise becoming aware of such changes.

13.3. Application for Distributed Generation Interconnection Services

Page 49 of 57

A Distributed Generator may apply for Distributed Generation Interconnection Services to provide the delivery of Energy as set out in these Terms and Conditions.

13.3.1. Method and Form of Application

The Town reserves the right to verify the identity of the Distributed Generator and the accuracy of the information provided and to require the Distributed Generator to sign an application in writing on forms provided by the Town. No servant, agent or employee of the Town is authorized to modify orally any provisions of a written application or to bind the Town to any promise or representation contrary thereto. Modifications of written applications shall be in writing and duly executed by an authorized the Municipal representative.

13.3.2. Provision of Information

Upon request, The Town shall furnish detailed information on the method and manner of making application for Distributed Generation Interconnection Services. Such information may include copies of the Town's Distributed Generation interconnection guides, and Distributed Generator and the Town's responsibilities for installation, operation and maintenance of Facilities.

The Town may require an applicant for Distributed Generation Interconnection Services to provide:

- (a) information regarding the location of the interconnection, service point address, the Distributed Generator's Connected Load, estimated Demand, preferred supply conditions, and the manner in which Distributed Generation Interconnection Services will be utilized;
- (b) credit information or references;
- (c) proof that the Distributed Generator has:
 - (i) obtained a system access authorization from the ISO, where required,
 - (ii) satisfied all membership and application requirements of the Power Pool, if selling to the Power Pool,
 - (iii) a mutual acceptance by the Distributed Generator and the Town Operating Procedures, attached to and forming part of the Interconnection Agreement where applicable, and
 - (iv) had its facility commissioned and interconnected with the Town's circuits; and

Page 50 of 57

(d) any other information that The Town reasonably requires.

Upon receipt of the required information, The Town will advise the applicant of the type and character of the Distributed Generation Interconnection Services it will furnish to the Distributed Generator, if any, any special conditions that must be satisfied before The Town will provide any Distributed Generation Interconnection Services and, if requested, the location of the Town's metering and related equipment.

13.3.3. Rejection of Application

The Town may, in its sole discretion, reject any applicant's request for Distributed Generation Interconnection Services where

- (a) the type of Distributed Generation Interconnection Service applied for is not available;
- (b) the applicant or the Distributed Generator does not have requisite permits, certificates, licenses, or other authorizations or right-of-way agreements for the installation and operation of Distributed Generation Interconnection Services;
- (c) The Town determines that the Distributed Generator is not creditworthy or a previous account held by the Distributed Generator with The Town is in arrears;
- (d) the Distributed Generator fails to provide an acceptable security deposit or letter of credit;
- (e) any representation made by the applicant or the Distributed Generator to The Town for the purpose of obtaining Distributed Generation Interconnection Service is, in the Town's opinion, fraudulent, untruthful or misleading;
- (f) the Distributed Generator has not, when requested by the Town to do so, provided a signed written application for Distributed Generation Interconnection Services; or
- (g) the proposed interconnection, has characteristics that might adversely affect the quality of service supplied to other Distributed Generators, Customers, the public safety, or the safety of Town personnel.

13.3.4. Approvals

The applicant for Distributed Generation Interconnection Services shall be responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations and right-of-way agreements necessary for the installation and operation of the Distributed Generation and shall submit copies of them to the Town upon request. The Town shall not be required to commence or continue installation or provision of Distributed Generation Interconnection Services unless and until the applicant and the Generator have complied with

Page 51 of 57

the requirements of all governmental authorities, all permits, certificates, licenses, inspections, reports and other authorizations, and all right-of-way agreements, and all the Town requirements applicable to the installation and provision of Distributed Generation Interconnection Services.

13.4. Responsibilities

13.4.1. Rights of Way

At the request of the Town, the Distributed Generator shall grant, or cause to be granted to the Town, without cost to the Town, such easements, rights-of-way and rights of entry over, upon or under the property owned, occupied or controlled by the Distributed Generator as the Town reasonably requires for the construction, installation, maintenance, repair and operation of the Facilities required for Distributed Generation service and the performance of all other obligations required to be performed by the Town hereunder.

The Distributed Generator shall provide access for the Town to the Distributed Generator's facility for the purposes of Meter reading or installation, maintenance or removal of the Facilities and for the purpose of treating, brushing, trimming and cutting of trees as is necessary for the proper operation of the Facilities.

The Distributed Generator shall not install or allow to be installed on property owned or controlled by the Distributed Generator any temporary or permanent structures that could interfere with the proper and safe operation of the Facilities or result in non-compliance with applicable statutes, regulations, standards and codes.

13.4.2. Distributed Generator Liability

The Distributed Generator assumes full responsibility for the proper use of Distributed Generation Interconnection Services provided by the Town and for the condition, installation, suitability and safety of any and all wires, cables, devices or appurtenances or Facilities Energized on the Distributed Generator's premises or on premises owned, controlled or occupied by the Distributed Generator.

13.4.3. Protective Devices

The Distributed Generator shall be responsible for determining whether it requires any devices to protect its facilities from damage that may result from the use of Distributed Generation. The Distributed Generator shall be responsible for the design, supply, construction, operation

Page 52 of 57

and maintenance of all equipment on its side of the PCC necessary to provide protection to the Distributed Generator's facilities.

13.4.4. Standards for Interconnection

The Distributed Generator's installation shall conform to the requirements of the Town at the time of request.

13.4.5. Suitability of Equipment

All of the Distributed Generator's facilities shall be suitable for operation with Distributed Generation Interconnection Services and Facilities provided by the Town. The Distributed Generator shall not use Distributed Generation for any purpose, or with any apparatus, that would cause an adverse disturbance to any part of the Town's Electric Distribution System. The Town has the right, but not the obligation, to inspect the Distributed Generator's facility. This right of inspection shall not relieve the Distributed Generator of responsibility for the safe design, construction, maintenance and operation of its facility and all liability in connection therewith remains with the Distributed Generator. The Distributed Generator shall provide reasonable access upon reasonable prior notice to enable The Town to conduct such inspection.

13.5. Connections

13.5.1. Interconnection Charges

The Distributed Generator shall pay the Town an amount, as determined by the Town for the interconnection of the Facilities to the Distributed Generator's facility. The cost of interconnection shall include, but not be limited to, costs incurred in the design, supply, construction, operation and maintenance of all interconnection, protective and metering equipment, including the costs of any modifications to the Facilities that may be required.

13.5.2. Interference with the Town's Property

No one other than an authorized employee or agent of the Town shall be permitted to remove, operate, or maintain Meters, electric equipment or other Facilities. The Distributed Generator shall not interfere with, extend or alter the Town's Meter, seals or other Facilities or permit the same to be done by anyone other than the authorized agents or employees of the Town. The Municipal Facilities shall be installed at points most convenient for the Town's access and service and in conformance with applicable public regulations. The Distributed Generator shall

Page 53 of 57

be responsible for all destruction, loss or damage to the Town's Meters, electric equipment, seals or other Facilities located on the Distributed Generator's premises or on premises owned, operated or controlled by the Distributed Generator where the destruction or damage is caused by a negligent act or omission or willful misconduct of the Distributed Generator or anyone permitted by them to be on the premises, provided however, that the Distributed Generator shall not be liable for such destruction, loss or damage where such destruction, loss or damage is due to circumstances beyond the Distributed Generator's control.

13.5.3. Protection of the Town's Equipment

The Distributed Generator shall furnish and maintain, at no cost to the Town, the necessary space, housing, fencing, barriers, and foundations for the protection of Facilities necessary for the provision of Distributed Generation Interconnection Services to be installed upon the Distributed Generator's premises, or on the premises owned, occupied or controlled by the Distributed Generator, whether the Facilities are furnished by the Distributed Generator or by the Town. If the Distributed Generator refuses, the Town may at its option at the Distributed Generator's cost, furnish and maintain, the necessary protection. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to the Town's specifications and approval.

13.5.4. Unauthorized Use or Unsafe Conditions

If the Town determines that there has been an unauthorized use of Distributed Generation including but not limited to any tampering with a Meter or other Facilities, unauthorized connection or reconnection, or theft or fraud, whereby the Town is denied full compensation for services provided, The Town may make such changes in its Meters, appliances, or other Facilities or take such other corrective action as may be appropriate to ensure only the authorized use of Distributed Generation, and also to ensure the safety of the general public and Municipal personnel, and the Distributed Generator is hereby deemed to consent to such corrective action. Upon finding an unauthorized use of Facilities or finding that Distributed Generation Interconnection Services have not been used as set out in these Terms and Conditions, the Town may discontinue the Distributed Generation Interconnection Services and charge the Distributed Generator all damages suffered by the Town and all costs incurred in correcting the condition. Nothing in this section shall be deemed to constitute a waiver of any other rights of redress, which may be available to the Town, or to limit in any way any legal recourse, which may be open to the Town.

13.5.5. Relocation of Facilities

Page 54 of 57

The costs of relocating the Town's Meter, seals or other Facilities shall be borne by the Distributed Generator when done at its request, for its convenience, or if necessary to remedy any violation of law or regulation caused by the Distributed Generator. If requested by the Town, the Distributed Generator shall pay estimated relocation costs in advance.

13.5.6. Distributed Generator's Facilities

The Distributed Generator shall operate and maintain its facilities in compliance with the EPC "Guide for Generator Interconnection to the Wires Owner Distribution System" and the "Guide for Micro-Generator Interconnection to the Wires Owner Distribution System", which are posted on the Town website. Additionally, any applicable technical guidelines under the *Micro-Generation Regulation* must be observed.

13.5.7. Prior Notice by Distributed Generator

A Distributed Generator shall give The Town reasonable written notice prior to any change in the Distributed Generator's requirements for Distributed Generation Interconnection Services, including any change in generation, to enable the Town to determine whether it can accommodate such change without alterations to its Facilities.

The Distributed Generator shall not change its requirement for Distributed Generation Interconnection Services without the Town's written permission which shall not be unreasonably withheld. The Distributed Generator shall be responsible for all damages, whether direct or indirect or consequential, caused to the Town's Electric Distribution System or Facilities as a result of the Distributed Generator changing its requirements for Distributed Generation Interconnection Services without the Town's permission.

13.5.8. Changes to Facilities

If the Town must modify its Facilities to accommodate a change in a Distributed Generator's requirements for Distributed Generation Interconnection Services, the Distributed Generator shall pay for all costs attributable to such modification including, without limitation, the following costs:

- (a) the estimated cost of removing the Facilities, less the estimated salvage value, plus
- (b) the estimated cost of installing the new Facilities, less
- (c) any applicable the Town investment in new Customer load, plus
- (d) prepaid operations and maintenance: 20% of the estimated costs of any Facilities that the Town deems to be Optional Facilities for the Customer. To be applied when the Town

Page 55 of 57

anticipates increased operation and maintenance expenses associated with the Customer's proposed facilities.

13.6. De-energization of Service

13.6.1. De-energization at Request of Distributed Generator

The Distributed Generator may on 30 days prior oral or written notice to the Town, request the De-energization or reduction in capability of its Distributed Generation. De-energization notice can be revoked with at least 48 hours notice in advance of the scheduled De-energization date. In the case of permanent De-energization, the Distributed Generator may be required to pay for any unrecovered investment made by the Town in respect of the Distributed Generator's service.

13.6.2. De-energization for Safety Reasons

The Town reserves the right to De-energize Distributed Generation Interconnection Services to a Distributed Generator at any time without notice, or to refuse to make such services available to the Distributed Generator, where, in the Town's opinion:

- (a) the Distributed Generator has permitted its facilities to become hazardous;
- (b) the Distributed Generator's facilities are unsafe or defective or will become unsafe or defective imminently;
- (c) there has been tampering with any service conductors, seals or any Facilities or any Meters;
- (d) the Distributed Generator's facilities fail to comply with applicable statutes, regulations, standards, codes and the Town's generator interconnection requirements; or
- (e) the use of Distributed Generation may cause damage to the Facilities or the Town's Electric Distribution System or interfere with or otherwise adversely affect any other service provided by the Town.

The Town will Re-energize Distributed Generation Interconnection Services when the condition has been rectified to the Town's satisfaction, when the Distributed Generator has provided, or paid the Town's costs of providing, such Facilities as may be necessary to rectify the condition and prevent the condition from reoccurring, and the Distributed Generator's facilities are approved by the appropriate authority. The Town shall make a reasonable effort to notify each Distributed Generator within a reasonable time after De-energization, of the reason for the Deenergization and the actions required for Re-energization.

Page 56 of 57

13.6.3. De-energization Other Than for Safety

The Town may at any time, after having given at least 48 hours prior oral or written notice to a Distributed Generator, discontinue Distributed Generation Interconnection Services to the Distributed Generator, if it:

- (a) violates any provision of the Distribution Tariff;
- (b) neglects or refuses to pay when due, all amounts required to be paid under the Distribution Tariff;
- (c) changes its requirements for Distributed Generation Interconnection Services without the written permission of the Town, which will not be unreasonably withheld; or
- (d) provides the Town with incorrect information or makes fraudulent or unauthorized use of Distributed Generation Interconnection Services.

13.6.4. Re-energization of Service Other Than for Safety

If Distributed Generation Interconnection Services to a Distributed Generator are De-energized, the Distributed Generator shall, prior to The Town Re-energization of Distributed Generation Interconnection Services:

- (a) pay any amount owing to the Town; (including any related restoration fees); and/or
- (b) resolve any non-financial reason for the De-energization.

13.6.5. Removal of Facilities

Upon termination of Distributed Generation Interconnection Services, The Town will be entitled to enter upon and remove from the property owned, occupied or controlled by the Distributed Generator or any of the Facilities located upon the property.

13.6.6. Fee Schedule

The Town reserves the right to impose reasonable fees and charges pursuant to the various provisions of these Terms and Conditions. The fees are set out in Schedule A.

13.7. Distributed Generation Metering Equipment

13.7.1. Installation, Provision and Ownership

Page 57 of 57

The Town shall provide, install and seal one or more Meters for the purpose of measuring the Energy received from a Distributed Generator.

Each Meter shall remain the sole property of the Town regardless of the degree to which the Meter may be affixed to the Distributed Generator's premises, or to premises owned, occupied or controlled by the Distributed Generator, or equipment.

13.7.2. Distributed Generator Meters

The Distributed Generator retains ownership of any Distributed Generator owned Meter on its side of the point of service connection that it has installed. The selection of Meters, calibration of Meters and handling of Meter disputes shall be as set out in the *Electricity and Gas Inspection Act* (Canada). The Town may arrange with the Distributed Generator to have Distributed Generation metering equipment tested or calibrated by the proper official designated by the *Electricity and Gas Inspection Act* (Canada).

13.7.3. Location

Meter locations shall be designated by the Town based on the particulars of the Distributed Generation requested and convenience of access to the Meter. Where a Meter is installed on a Distributed Generator owned pole, the pole shall be provided and maintained by the Distributed Generator as required by the Canadian Electrical Code and any other applicable statutes, regulations, standards and codes.

13.7.4. Access to Metering Equipment

The Town may, at any reasonable time, read, inspect, remove and test its Meter installed on property owned or controlled by the Distributed Generator. The Town's employees, agents and other representatives shall have the right to enter property owned, occupied or controlled by a Distributed Generator at all reasonable times and intervals for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing the Town's electrical equipment and appliances or other Facilities or of discontinuing service or for any other purpose incidental to the provision of Distributed Generation Interconnection Services, and the Distributed Generator shall not prevent or hinder the Town's entry.

13.7.5. Changes to Metering

The Town may at any time change any Meter it installed. Distributed Generator requests for a new Meter will be processed as required.