

South Peace Rural Electrification Association Limited
TERMS AND CONDITIONS FOR
DISTRIBUTION SERVICE CONNECTIONS

Distribution Tariff Application
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ARTICLE 1 – PREAMBLE

In accordance with the Wire Owners Agreement and Distribution System Operator Agreement made between the Rural Electrification Association Limited (“Association”) and ATCO Electric Ltd. (“ATCO Electric”), the Association, as a wire owner, has retained ATCO Electric to act as its wire services provider (“WSP”) after 31 December 2000. ATCO Electric will not be responsible for providing electricity directly to Customers. Pursuant to the ***Electric Utilities Act*** (“EUA”) and the Regulations made thereunder (“Regulations”), ATCO Electric in its role as a wire services provider will carry out the functions necessary to provide (i) the delivery of electric service to the Association and Customers; (ii) the maintenance and operation of the Association’s electric distribution system; and (iii) the performance of certain other services such as enabling Retailers to acquire access to the Association’s electric distribution system for the purposes of allowing them to sell electricity directly to end-use Customers.

These Terms and Conditions are intended to govern the relationship between ATCO Electric and Customer(s) that require a Service Connection to the Association or ATCO Electric's electric distribution system. These Terms and Conditions will also govern the relationship between the Association's WSP and Retailer(s) or any other person whom the Customer (or the Association) has assigned to act on its behalf in its dealings with the WSP, regarding the provision of wire service on the Association's electric distribution system.

These Terms and Conditions serve as a companion to the Terms and Conditions for Distribution Access Service which is intended to enable Retailers to acquire access to the Association's electric distribution system for the purposes of allowing them to sell electricity directly to end-use Customers.

The service provided by ATCO Electric hereunder has been filed on behalf of the Association with the Alberta Energy and Utilities Board (“EUB”) for information. Any parties having any inquiries or complaints regarding these Terms and Conditions may direct such inquiries or complaints directly to ATCO Electric, the Association, or to the EUB. These Terms and Conditions have been approved by the Board of Directors of the Association.

ARTICLE 2 – DEFINITIONS AND INTERPRETATION

2.1 Definitions

The following words and phrases, whenever used in these Terms and Conditions, the Electric Service Tariff or an application, contract or agreement for service, shall have the meanings set forth below:

"Act" means the ***Electric Utilities Act, S.A. 2003, c. E-5.1***, as amended from time to time;

"Agent" means a person who performs functions including, but not limited to, retailer transactions with the Association's WSP on behalf of a Retailer;

"Agreement" means the agreement between the Association and the WSP;

"Association" means the Rural Electrification Association or its successor;

"Billing Demand" means the demand upon which billing to a Customer is based;

"Board" means the Board of Directors of the Association;

"Business Day" means any day other than Saturday, Sunday or a holiday as defined in the *Interpretation Act*.

"Connected Load" means the sum of the capacities or ratings of the electric energy consuming apparatus connected to a supplying system;

"Customer" means a person, including a Member, purchasing electricity for that person's, or Member's, own use from a Retailer;

"Customer Information" means Customer name, Customer telephone number, Customer mailing address, and other safety related information required to provide safe electric service to Customers;

"Customer Usage Information" means information regarding the historical electricity consumption of a Customer and includes:

- Site ID;

- Read Date;
- Net Measured Energy (kW.h); and if available
- Net Measured Demand (kW); and
- Net Measured Demand (kV.A)

"Default Supplier" means a Retailer appointed pursuant to Section 3 of the RRR;

"Demand" means the maximum rate at which electric energy is delivered (expressed in kilowatts (kWh), kilovolt amperes (kVa) or other suitable unit) at a given instant or averaged over any designated period of time;

"Distribution Access Service" means the service required to transport electricity to Customers by means of an electric distribution system;

"Distribution Contribution" means the contribution a new Member pays to the Association to be connected to the distribution Facilities of the REA.

"Distribution Tariff" means a distribution tariff prepared in accordance with the ***Distribution Tariff Regulation, A.R. 162/2003***, as amended from time to time;

"Electric Service Contract" means an agreement for the provision of a Service Connection, between the Association and its Member;

"Electricity Services" means the services associated with providing electricity to a Customer, including the exchange of electric energy, making financial arrangements to manage financial risk associated with the pool price, distribution access service, system access service, ancillary services, billing, performing load settlement, and any other services specified in the regulations made by the Minister under Section 115 of the *Electric Utilities Act, S.A., 2003, c. E-5.1*;

"Electric Service Tariff" means a Distribution Tariff prepared by the Association;;

"Energy" means electric energy (expressed in kilowatt hours abbreviated as kWh);

"EUB" means the Alberta Energy and Utilities Board established under the ***Alberta Energy and Utilities Board Act, R.S.A., 2000, c. A-17***, as amended from time to time;

"Facilities" means a physical plant (including, without limitation, transmission and distribution lines, transformers, meters, equipment and machinery);

"Force Majeure" means circumstances not reasonably within the control of the Association or its WSP, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, the intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise;

"Generating Customer" means a Customer with on-site generating equipment that is interconnected with the Association's distribution Facilities;

"Incremental Interconnection Costs" means the costs of materials, labor, expenses and any other direct costs incurred by the Association or its WSP to allow a Generating Customer to make use of the distribution system.

"Independent System Operator" or "ISO" means the corporation established pursuant to Section 7 of the Electric Utilities Act, S.A., 2003, c. E-5.1, and carrying out the name of "Alberta Electric System Operator" or "AESO";

"In-service Date" means the date on which the Association's or its WSP specifies service is to be available or the date the service is actually available, whichever is later;

"Interconnected System" means those portions of the Association's Facilities which are connected with the electrical systems of other electric utilities in the Province of Alberta;

"Load" means the demand and energy delivered to or required at any Point of Service;

"Member" means a person qualified for membership in the Service Area of the Association;

"Member Extension Costs" means the costs to extend service to a Member;

"Meter Data Manager" or "MDM" means an entity as defined in the Settlement System Code;

"*Point of Service*" means the point at which the Association's service conductors are connected to the conductors or apparatus of a Member;

"*Power Factor*" means the ratio of the highest metered kilowatt demand in a billing period to the highest metered kilovolt ampere demand in that same billing period;

"*Power Pool*" means the scheme established pursuant to Section 7 of the *Electric Utilities Act, S.A., 2003, c. E-5.1*;

"*REA*" means incorporated rural electrification association;

"*RRR*" means the ***Roles, Relationships and Responsibilities Regulation, A.R. 169/2003***, as amended from time to time;

"*Retailer*" means a person who sells or provides Electricity Services directly to Customers and who is entitled to enroll Customers for Distribution Access Service under the Association's Terms and Conditions for Distribution Access Service and includes Default Supplier, the person with whom the WSP has made arrangements to provide the regulated rate tariff to eligible Customers, and Self-Retailers;

"*Self-Retailer*" means a person carrying out the Retailer function to obtain electricity services solely for its own use;

"*Service Connection*" means the Facilities required to physically connect the Member's Facilities to the Association's distribution system to permit the Customer to obtain Distribution Access Service;

"*Site*" means a unique end-use Point of Service, being the **finest** level at which settlement recognizes retailer assignments, and receives consumption data;

"*Site ID*" means a unique identification number assigned by the Association's WSP to each unique end-use Point of Service;

"*WSP*" means a person which the Association has authorized to act on its behalf pursuant to sections 104 and 105 of the *Electric Utilities Act, S.A. 2003, c. E-5.1*.

2.2 Conflicts

- (a) If there is any conflict between a provision expressly set out in an Order of the EUB and these Terms and Conditions, the Order of the EUB shall govern subject to Board or Board designated authority approval.
- (b) If there is any conflict between a provision expressly set out in these Terms and Conditions, as amended from time to time, and the Agreement between the Association and its WSP, the express provision of the Agreement shall govern.

2.3 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.

2.4 Schedules and Appendices

The following schedules and appendices are attached to and form part of these Terms and Conditions:

- Schedule A – Standard Supply Specifications
- Schedule B – Non-Discretionary Service Charges
- Schedule C – Electric Service Contract

ARTICLE 3 – GENERAL PROVISIONS

3.1 Board Approval

These Terms and Conditions have been approved by the Board of Directors of the Association and filed with the EUB for information. The Association or its Board designated authority may amend these Terms and Conditions by filing a notice of amendment with the EUB.

3.2 Electric Service Tariff

The Association's Distribution Tariff is available for public inspection during normal business hours at the business offices of the Association's WSP and at the offices of the EUB and can be accessed at the Association's WSP's website at: www.atcoelectric.com. These Terms and Conditions are part of the Association's Distribution Tariff and are established pursuant to Section 102 of the Electric Utilities Act.

3.3 Effective Date

These Terms and Conditions come into force when the Board or its designated authority approves an amendment to these Terms and Conditions. Revisions will be issued, with the effective date of the amendments indicated thereon, and filed with the EUB for information.

3.4 Terms and Conditions Prevail

- (a) These Terms and Conditions, as amended from time to time, apply to the Association and its WSP and to every Customer to which the Association provides a Service Connection. These Terms and Conditions also govern the relationship between the Association, its WSP and Retailer or any other person for whom the Customer has assigned to act on its behalf in its dealings with the Association or its WSP regarding the provision of wires service on the Association's electric distribution system.
- (b) The application for a Service Connection, the use by the Customer of a Service Connection to obtain Distribution Access Service or the payment by the Customer of an account rendered by the Association or its WSP in relation to a Service Connection shall constitute acceptance by the Customer of these Terms and Conditions.
- (c) No agreement can provide for the waiver or alteration of any part of these Terms and Conditions unless such agreement is first filed with and approved by the Board or its designated authority.

3.5 Customer Guide to New Extensions

The Association's WSP has developed the Customer Guide to New Extensions to help Customers understand the normal practices of the Association's WSP. The Customer Guide will be updated, from time to time, to reflect changes to the electric utility industry, or the changing needs of the Association and Customers. The Association's WSP is committed to follow practices in the Customer Guide. However, as these practices will likely not cover every situation that arises, it may be necessary to deviate from the Customer Guide to meet unique needs in certain circumstances.

The Association's WSP's Customer Guide is available for public inspection and can be accessed at ATCO Electric's website at: www.atcoelectric.com.

3.6 Ownership of Facilities

- (a) The Association remains the owner of all Facilities necessary to provide a Service Connection to the Customer, unless an agreement between the Association and Customer specifically provides otherwise.
- (b) Payment made by Customers for costs incurred by the Association in installing Facilities does not entitle Customers to ownership of any such Facilities, unless an agreement between the Association and the Customer specifically provides otherwise.

3.7 Fees and Other Charges

The Association's WSP will provide all standard services hereunder pursuant to the Association's Distribution Tariff. All additional, supplementary or extra non-discretionary services provided by the Association or its WSP to a Customer will be charged a separate rate or fee, such as those included, without limitation, in Schedule B herein. Payment for these services shall be in accordance with the provisions of these Terms and Conditions.

ARTICLE 4 – ESTABLISHMENT OF SERVICE

4.1 Application for Service Connection

- (a) To enable the Association or its WSP to provide the requested service, applicants for service shall supply information regarding the location of the premises to be served, the Customer's connected load and preferred supply conditions and the manner in which the Service Connection will be utilized, credit information or reference if necessary and any other information that may be required by the Association or its WSP. The Customer shall refer to the WSP's Customer Guide to New Extensions for customary information requirements.
- (b) Upon receipt of the required information, the Association or its WSP will advise the applicant of the type and character of the Service Connection it will furnish to the Customer, and any special conditions that must be satisfied.

4.2 Method of Application

4.2.1 Form and Acceptance of Application

All Customers must be eligible under current statutes, Association contractual obligations and Association policies to contract for service with the Association. The Association or its WSP 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 Association or its WSP.

4.2.2 Application by Retailer or Other Person

A Retailer or any other person acting as an agent of a Customer may apply for a Service Connection on behalf of the Customer. The Retailer or Agent must provide the Association or its WSP, in a form acceptable to the Association and its WSP, verifiable authorization from the Customer to make the application.

4.3 Establishment and Re-establishment of Credit or Deposits

4.3.1 Establishment of Credit

- (1) The Association's WSP shall not require a deposit from a new applicant unless the applicant falls under the circumstances defined in Section 4.3.2 herein.
- (2) All Customers will be required to follow the security requirements as defined by the Customer's Retailer.
- (3) The Association's WSP reserves the right to request Customers to establish credit for any amounts to be provided by the Customer, including but not limited to idle service, under these Terms and Conditions.

4.3.2 Re-establishment of Credit

(a) Former Customers with an Outstanding Balance

An applicant who is indebted to the Association or its WSP will be required to re-establish credit by paying all delinquent bills and depositing the amount prescribed herein.

(b) Delinquent Customer

A Customer whose electric service has been disconnected for nonpayment of bills for service may be required, before service is restored, to establish credit by paying all delinquent bills, the reconnection fee and depositing the amount prescribed herein.

4.3.3 Amount of Security Deposits

The amount to be deposited will be determined by the Association or the Association's WSP at the time of the service application.

4.3.4 Refunds of Security Deposits

A security deposit is refunded or credited to the Customer's account with interest when:

- (1) the Customer's Service Connection is disconnected, other than for default in payment of accounts, and the Customer has paid all amounts owing to the Association and its WSP; or
- (2) the Customer has satisfactorily established credit by paying all bills on or before the due date of the said bill, for twelve (12) consecutive months.

4.3.5 Interest of Security Deposits

Interest on each Customer's security deposit held by the Association's WSP will be calculated at the rate specified from time to time in The Landlord and Tenant Act, but not less than 2.5% per annum. Interest will be credited to the Customer's account annually or when the deposit is refunded.

4.3.6 Use of Security Deposits

If a Customer fails to pay an amount billed, and collection action has been initiated by the Association's WSP, the Association's WSP may apply all or any portion of a Customer's security deposit toward payment of the outstanding amounts, including interest. When the Association's WSP has taken this step, the Customer may be required to pay to the Association's WSP the amount deducted from the Customer's security deposit. Upon termination of a Service Connection, the Association's WSP may apply all or any portion of a Customer's security deposit, including interest, toward payment of any amount due and owing by that Customer.

4.4 Rejection of Application

The Association or its WSP may, without limitation, reject any applicant's request for a Service Connection when:

- (a) the Customer does not have currently in force all permits or other authorization that may be required for the installation of the Service Connection as defined in section 4.6; or
- (b) the Association or its WSP determines that a previous account held by the Customer with the Association or its WSP is in arrears; or
- (c) the Customer fails to provide a security deposit or letter of credit from a suitable financial institution in form acceptable to the Association and its WSP; or
- (d) any representation made by the Customer to the Association or its WSP for the purpose of obtaining a Service Connection is, in the Association or its WSP opinion, fraudulent, untruthful or misleading; or
- (e) the proposed loads, in the Association's WSP's opinion, have unusual characteristics that might adversely affect the quality of service supplied to other Customers, the public safety, or the safety of the Association's personnel or Facilities belonging to the Association or other interconnected Facilities.

4.5 Electric Service Contract

- (a) A Customer shall be required by the Association to sign an Electric Service Contract in respect of a Service Connection as shown in Schedule C. The Electric Service Contract shall be signed by the Customer and not by its Agents.
- (b) In the absence of a signed Electric Service Contract, the supplying of a Service Connection by the Association's WSP and the acceptance thereof by the Customer shall be deemed to constitute an agreement by and between the Association and the Customer for delivery, acceptance and payment for electric service under the Association's applicable price schedules and Terms and Conditions.

4.6 Approvals

The Customer for a Service Connection shall be responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations necessary for the installation and operation of the Service Connection. The Association or its WSP shall not be required to commence or continue installation or operation of a Service Connection

unless and until the Customer has complied with the requirements of all permits, certificates, licenses, inspections, reports and other authorizations, and all right-of-way agreements, all Association and WSP requirements applicable to the installation and operation of the Service Connection.

4.7 Information and Requirements for Service

4.7.1 Distribution Service Connections

Upon request, the Association or its WSP shall provide to the Customer information on the method and manner of making Service Connections. Such information may include a copy of the WSP's Customer Guide to New Extensions, a description of the Service Connection available, location of entrance facilities and metering equipment, and Customer, Association and WSP responsibilities for installation of Facilities.

4.7.2 Distribution Access Service

For Customers requesting information on Distribution Access Service, the Association and or its WSP will make available the following information:

- (a) notification and informational materials to consumers about competition and consumer choices;
- (b) the Association's Terms and Conditions for Distribution Access Service;
- (c) direct Customers, on request, to a source where they may obtain the current list of licensed Retailers maintained in accordance with the *Fair Trading Act*, RSA 2000, c. F-2 ("*Fair Trading Act*"). Neither the Association nor its WSP is under obligation to assure the accuracy of this list.

4.7.3 Customer Usage Information

- (a) The Association's WSP shall provide standard Customer Usage Information to a Customer upon request for:
 - (1) the 12-month period preceding the date of the request, or

- (2) for any shorter period for which the Association's WSP has collected that information.

- (b) An Agent or consultant, acting on behalf of a Customer, may request Customer Usage Information by obtaining and submitting to the Association's WSP the authorization from the Customer in a form as set out in the Customer Guide to New Extensions.

- (c) The Association's WSP will normally process requests within five (5) Business Days of receiving notification from the Customer. If the Association's WSP determines that it cannot process the request within five (5) Business Days, the Association's WSP shall notify the Customer of the approximate delivery date.

- (d) Requests for Customer Usage Information will be provided by the Association's WSP at no additional cost for requests made once per year per account. The Association's WSP reserves the right to assess a charge for additional Customer Usage Information requests as set forth in Schedule F hereof.

4.8 Application of Price Schedules

- (a) The Association or its WSP will make Customers aware of the various price schedules under which the Association or the Association's WSP provides service to the Customers. The Association and its WSP will endeavor to apply the applicable price schedule, which is most favorable to the Customer, providing the price schedule applies to the service requested by the Customer, the Customer is eligible for the requested service, and that application of the requested price schedule does not have an adverse impact on other Customers. Neither the Association nor its WSP shall be required to refund the difference in charges under different price schedules for any past period during which the Customer did not request service under an alternate price schedule that may have been available to such Customer.

- (b) Various riders and options are also applicable to the service as specified in the Distribution Tariff approved from time to time by the Board.

- (c) Subject to the above, where the Customer's service requirements change so that some other price schedule(s), riders and options apply to the service, upon the receipt of a written request from the Customer, the Association or its WSP will advise the Customer of its eligibility for service under the alternate price schedule, and at the request of the Customer, the Association's WSP will change the Customer's billing accordingly.
- (d) A Customer may elect to have service billed on any other price schedule applicable to that Customer's service requirements subject to the above conditions. Any change shall not be effective until the next complete billing period. An election under this section may not be made more than once in any 12-month period, unless the Customer's service requirements change, and will apply to all arrangements the Customer has with the Association's WSP if the Service Connection is billed on more than one price schedule.
- (e) In addition to payments for electric service, the Customer (or Retailer) is required to pay the Association's WSP the amount of any tax or assessment levied by any tax authority on electric service delivered to the Customer.

4.9 Connection Fee

When a Customer is connected for the first time at a service location, whether it is a new or existing service location, the Customer will pay a non-refundable connection fee as defined in Schedule B herein.

ARTICLE 5 – SERVICE REQUIREMENTS AND FACILITIES

After the Customer has complied with all application and deposit requirements and has been accepted for service by the Association and the Association's WSP, has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction, safety standards or regulations, and has enrolled with a Retailer, the Association or its WSP shall schedule that Customer Site for Service Connection.

5.1 Customer Provided Facilities and Requirements

5.1.1 Protection of the Association's Equipment

The Customer shall furnish and maintain, at no cost to the Association or WSP, the necessary space, housing, fencing, barriers, and foundations for the protection of the Facilities to be installed upon the Customer's premises. If the Customer refuses, the Association or its WSP may at its option furnish and maintain, and charge the Customer for furnishing and maintaining, the necessary protection. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to the Association and its WSP's specifications and approval.

5.1.2 Power Factor

A Customer shall design, install and operate the Customer's facilities in such a manner as to maintain a Power Factor of not less than 90%. The Association or its WSP may require any Customer not satisfying this Power Factor requirement to furnish, install, and maintain, at no cost to the Association or its WSP such corrective equipment as the Association's WSP may deem necessary under the circumstances.

5.1.3 Compliance with Requirements and Use of Service Connection

The Customer will ensure that its facilities comply with the applicable requirements of the Canadian Electrical Code and with any other technical guidelines that may be issued from time to time by the Association's WSP. The Customer shall not use its Service Connection in a manner so as to cause interference with any other Customer's use of a Service Connection such as abnormal voltage levels, frequency levels and harmonic levels. At the Association's or its WSP request, the Customer shall take whatever action is required to correct the interference or disturbance at the Customer's expense.

5.1.4 Extensions

A Customer shall not extend or permit the extension of facilities connected to the Association's distribution beyond property owned or occupied by that Customer for any Point of Service.

ARTICLE 6 – RIGHTS OF WAY AND ACCESS TO FACILITIES

6.1 Easements

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

6.2 Right of Entry

The Association or its WSP employees, agents and other representatives shall have the right to enter a Customer's property at all reasonable times for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing the Association's Facilities and for any other purpose incidental to the provision of a Service Connection and the Customer shall not prevent or hinder the Association or its WSP's entry.

6.3 Vegetation Management

The Customer shall permit the Association or its WSP to manage vegetation on the property owned or controlled by the Customer to maintain proper clearances and reduce the risk of contact with the Association's Facilities. The Association or its WSP shall make reasonable efforts to notify the Customer before such work is performed.

6.4 Interference with Association's Facilities

Customers 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 Association's Facilities or result in non-compliance with applicable statutes, regulations, standards and codes.

ARTICLE 7 – DISTRIBUTION EXTENSION

7.1 General Requirements

- (a) Upon an applicant's request for a line extension, the Association or its WSP shall prepare a proposal outlining the estimated cost of the extension to be paid by the applicant.
- (b) All agreements requiring payment by the Customer shall be in writing and signed by each party.

7.2 Determination of Customer Distribution Costs and Contributions

7.2.1 Customer Distribution Extension Costs

The Distribution Extension Costs incurred by the Association or its WSP in extending service to a Customer may consist of the following:

- (a) Local Extension Costs

The local Facilities required to extend service for the sole purpose of an individual Customer, plus

- (b) Shared Extension Costs

Where a new extension uses infrastructure paid by an existing Customer, plus

- (c) Upgrading Costs

If the Customer extension requires an upgrade to the Association's Facilities, the upgrade costs incurred by the Association may form part of the Customer's extension cost.

- (d) Advancement Costs

If a Customer's extension or a well defined group of Customers requesting the Association to advance the upgrade of existing Facilities, the costs of the upgrade including but not limited to, incremental higher costs associated with construction in a season other than what would be normally done, carrying

costs and higher construction costs associated with additional mobilization from advancing the construction of Facilities, may be classified as customer-related.

ARTICLE 8 – SERVICE CONNECTION

8.1 ASSOCIATION / WSP Responsibility and Liability

8.1.1 Continuous Supply

The Association's WSP shall make all reasonable efforts to maintain continuity of service to the Association and its Customers, but the Association's WSP cannot guarantee an uninterrupted electricity supply.

8.1.2 Interruption

Without liability of any kind to the Association or its WSP, the Association's WSP shall have the right to disconnect or otherwise curtail, interrupt or reduce service to Customers:

- (a) whenever the Association's WSP reasonably determines, or when the Association's WSP is directed by the ISO, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Association's Facilities, or interconnected systems;
- (b) to maintain the safety and reliability of the Association's and its WSP's distribution system; or
- (c) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages, potential overloading of the Association's or its WSP's distribution system or Force Majeure.

8.1.3 Reasonable Efforts

The Association's WSP shall use reasonable efforts to minimize any scheduled curtailment, interruption or reduction to the extent reasonably practicable under the circumstances, to provide the Customer with prior notification of any such

curtailment, interruption or reduction to the extent reasonably practicable, and to resume the Customer's Service Connection as promptly as reasonably practicable.

8.1.4 ASSOCIATION / WSP Liability

Notwithstanding anything to the contrary contained in these Terms and Conditions, the Association's WSP shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether of direct, indirect, special or consequential nature, (excepting only direct physical loss, injury or damage to a Customer or a Customer's property, resulting from the negligent acts or omissions of the Association or its WSP, their employees or agents or interconnected Companies) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by the Association's WSP to the Association and its Customers. For the purpose of the foregoing and without otherwise restricting the generality thereof, "direct physical loss, injury or damage" shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and energy, cost of capital, and loss of use of any Facilities or property, or any other similar damage or loss whatsoever, arising out of or in any way connected with the failure, defect, fluctuation, reduction or interruption in the provision of service to a Customer.

8.1.5 Force Majeure

Should the Association's WSP be unable, because of an event of Force Majeure, to provide a continuous supply of energy to a Customer, the Association's WSP's responsibilities, so far as they are affected by the Force Majeure, shall be relieved and suspended during the duration of such circumstances and the Association's WSP shall not be liable for any failure to perform any term of these Terms and Conditions to the extent that and when such failure is due to, or is a consequence of, an event of Force Majeure. Where practical, the Association's WSP shall give notice to the affected Customers of such Force Majeure.

8.2 Customer Responsibility and Liability

8.2.1 Customer Responsibility for Facilities

The Customer shall be responsible for the installation and condition of all Facilities on the Customer's side of the point of service, except Facilities owned by the Association. The Customer shall be responsible for any destruction of or damage to the Association's Facilities located on the Customer's premises 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.

8.2.2 Customer Liability

- (a) The Customer assumes full responsibility for the proper use of the Service Connection provided by the Association and its WSP and for the condition, suitability and safety of any and all wires, cables, devices or equipment energized on the Customer's premises or on premises owned or controlled by the Customer that are not the Customer's property.
- (b) The Customer shall indemnify and save harmless the Association and its WSP from and against any claim or demand for injury to persons or damage to property arising out of or in any way connected with the use of the service so long as such injury or damage is not caused by the negligent acts or omissions or willful misconduct of the Association or its WSP, its employees and agents.

8.2.3 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 a Service Connection. The Customer shall provide and install any such devices.

8.2.4 Service Calls

The Association or its WSP may require a Customer to pay the actual costs of a Customer requested service call if the source of the problem is the Customer's Facilities.

8.3 Interference with the Association's Property

No one other than an employee or authorized agent of the Association's WSP shall be permitted to remove, operate, or maintain meters, electric equipment and other Facilities owned by the Association. The Customer shall not interfere with or alter the meter, seals, or other Facilities or permit the same to be done by any person other than the authorized agents or employees of the Association's WSP.

8.4 Unauthorized Use

Where the Association or its WSP determines that there has been unauthorized use of electric service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of energy whereby the Association or its WSP is denied full compensation for services provided, the Association's WSP will bill the Customer (or Retailer) for the Association's estimated energy and wires charges of such unauthorized use, including repairs of damage or reconstruction of the Association's or Association's WSP's Facilities. Nothing in this section shall limit any other rights or remedies that the Association or its WSP may have in connection with such unauthorized use.

8.5 Frequency and Voltage Levels

The Association and its WSP will make every reasonable effort to supply energy at 60-Hertz alternating current. The voltage levels and variations will comply with the Canadian Standards Association standards and as specified in Schedule A. Some voltage levels set out in Schedule A may not be available at all locations served by the Association.

ARTICLE 9 – GENERATING CUSTOMERS

9.1 Continuous Service

The Association's WSP shall make all reasonable efforts to maintain continuity of service to Generating Customers, but the WSP cannot guarantee uninterrupted service.

9.2 Planned Outages

(a) Without liability of any kind to the Association's WSP, the Association's WSP reserves the right to interrupt, discontinue or otherwise place limits on the output of

the Generating Customer to allow for repairs and improvements to the Association or interconnected systems the Association's WSP reasonably determines that such action is necessary to maintain the safety and reliability of the Association or interconnected system or in other emergency situations.

- (b) The Association's WSP shall endeavor to give prior notice to Generating Customers who will have service interrupted or reduced and will endeavor to ensure that such interruptions are short and infrequent as circumstances permit. The contact lists and communication channels will be specified in the operating agreement between the Association's WSP and the Generating Customer.

9.3 WSP Liability

Notwithstanding anything to the contrary contained in these Terms and Conditions, the Association's WSP shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether of direct, indirect, special or consequential nature, (excepting only direct physical loss, injury or damage to a Generating Customer or a Generating Customer's property, resulting from the negligent acts or omissions of the Association's WSP, its employees or agents or interconnected Companies) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by the Association's WSP to Generating Customers. For the purpose of the foregoing and without otherwise restricting the generality thereof, "direct physical loss, injury or damage" shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and energy, cost of capital, and loss of use of any Facilities or property, or any other similar damage or loss whatsoever, arising out of or in any way connected with the failure, defect, fluctuation, reduction or interruption in the provision of service to a Generating Customer.

9.4 Force Majeure

Should the Association's WSP be unable, because of an event of Force Majeure, to provide a continuous service to a Generating Customer, the WSP's responsibilities, so far as they are affected by the Force Majeure, shall be relieved and suspended during the duration of such circumstances and the Association's WSP shall not be liable for any failure to perform any term of these Terms and Conditions to the extent that and when such failure is due to,

or is a consequence of, an event of Force Majeure. Where practical, the Association's WSP shall give notice to the affected Generating Customers of such Force Majeure.

9.5 Generating Customer Responsibilities

- (a) The Generating Customer will be responsible for the installation and condition of all Facilities on the Generating Customer's side of the Point of Service, except metering or other equipment owned by the Association.
- (b) The Generating Customer shall indemnify and save harmless the Association's WSP from and against any claim or demand for injury to persons or damage to property arising out of or in any way connected with the use of the service so long as such injury or damage is not caused by the negligent acts or omissions or willful misconduct of the Association's WSP, its employees and agents.
- (c) The Generating Customer shall be responsible for any damage to Association's Facilities located on the Generating Customer premises where the damage is caused by the negligent acts or omissions or willful misconduct of the Generating Customer or anyone permitted by the Generating Customer to be on the premises.

9.5.1 Protective Devices

- (a) The Generating Customer shall be responsible for determining whether it needs any devices to protect its equipment from damage that may result from the interconnection to the Association's Facilities. The Generating Customer shall provide and install any such devices.
- (b) The Generating Customer will provide the Association's WSP with the required documentation and settings for such devices. Where the Association's WSP has determined that there are adverse impacts on other consumers or operating processes, the Association's WSP can order modifications to these protective systems.
- (c) The Generating Customer must obtain written approval from the Association's WSP for any modifications to these schemes.

- (d) The Generating Customer must use teleprotection signals or other such reliable means to separate the generators from the electric system during islanding conditions.
- (e) The Generating Customer shall be responsible for any damages that are caused as a result of failure to safely separate during an islanding situation. Unapproved islanding conditions will be defined by the Association's WSP in the operating agreement.

9.5.2 Service Calls

The Association's WSP may require a Generating Customer to pay the actual costs of a Generating Customer requested service call if the source of the problem is the Generating Customer's own facilities.

9.5.3 WSP Disconnection for Safety Reasons

The Association's WSP may, without notice, disconnect a Generating Customer service where, in the Association's WSP's opinion:

- (a) the Generating Customer has violated the terms of the operating agreement with the Association's WSP; or
- (b) the Generating Customer has permitted the wiring of its facilities to become hazardous; or
- (c) the wiring of the Generating Customer facilities fails to comply with applicable law; or
- (d) the use of the service may cause damage to the Association's Facilities or interfere with or disturb service to any other Customer.

The Association's WSP will reconnect the service when the safety problem is resolved and when the Generating Customer has provided, or paid the Association's WSP's costs of providing, such devices or equipment as may be necessary to resolve such safety problems and to prevent such damage, interference or disturbance.

9.5.4 Metering and Settlement

- (a) The Association's WSP has developed a Guide to Meter Data Manager Requirements for Distributed Generators. The Guide outlines the requirements of Distributed Generators in meeting obligations to the load settlement agent (LSA). The Guide to Meter Data Manager Requirements for Distributed Generators will be updated, from time to time, to reflect changes to the electric utility industry, or the changing needs of the Association's Generating Customers. The Association's WSP is committed to follow practices in the Guide. However, as these practices will likely not cover every situation that arises, it may be necessary to deviate from the Guide to meet unique needs in certain circumstances.

The Association's WSP's Guide to Meter Data Manager Requirements for Distributed Generators is available for public inspection and can be accessed at: www.atcoelectric.com.

- (b) The Generating Customer will be responsible for installing 4-quadrant metering facilities to measure active energy and reactive energy produced by the generator and consumption of power, active energy and reactive energy, flowing from the distribution system to the Generating Customer's facilities. The metering facilities shall be in compliance with the standards set by the Association's WSP.
- (c) At the request of the Association's WSP, the Generating Customer shall install additional metering facilities if the Association's WSP determines that the existing metering facilities are inadequate or not properly configured to measure the full consumption flowing from the Association's or the Association's WSP's distribution system to the Generating Customer's facilities. The Association's WSP reserves the right to install additional metering, at the Generating Customer's cost, as it deems necessary to ensure accurate measurement of consumption from the Association's or the Association's WSP's distribution system.
- (d) The Generating Customer must provide power production information to the Association's WSP and is responsible for complying with all current

Settlement System Code requirements of a MDM with respect to the metered power production information. The Association's WSP may use the power production information for internal use. The Generating Customer shall refer to the Association's WSP's Guide to Meter Data Manager Requirements for information relating to the format in which data is provided to the Association's WSP.

- (e) The Generating Customer must provide the Association's WSP with consumption information in a form acceptable to the Association's WSP, as set out in Association's WSP's Guide to Meter Data Manager Requirements, whether or not the Generating Customer consumes power from the Association or the Association's WSP's distribution system. In addition the Generating Customer is responsible for complying with all current Settlement System Code requirements of a MDM with respect to the metered power consumption information.

- (f) Upon receipt of a request by the Generating Customer, the Association's WSP will install 4-quadrant metering facilities to measure active and reactive energy as identified in part (a). The Association's WSP will be responsible for interrogating the meter and complying with all current Settlement System Code requirements of a MDM with respect to the metered power production and consumption information. The Generating Customer will be provided with consumption and power production information for its internal use. The Generating Customer will be responsible for the costs of providing and installing the metering equipment and ongoing operating costs as set out in Schedule F herein.

- (f) Telemetry is required for all generating units in excess of 5 MW in capacity, or where the Association's WSP has determined that telemetry is required in order to maintain reliable operation of the distribution system.

9.5.5 Permits and Agreements

The Generating Customer shall obtain and provide to the Association's WSP copies of all required permits, licenses and authorizations prior to commencement of

service or any change or service requirements at any point of interconnection, which includes:

- (a) EUB approval and order to connect; and
- (b) acceptance from the local inspection and code enforcement authorities; and
- (c) an agreement with the Association's WSP which will specify technical and operating requirements if it wishes to operate in parallel operation with; or as supplementary, auxiliary or stand-by service to any other source of electric energy.

9.5.6 Approvals

- (a) The Generating Customer must obtain written approval from the Association's WSP before any modification is made to the Generating Customer's system.
- (b) The Generating Customer will be responsible for becoming a Power Pool participant and complying with any Power Pool requirements for any energy delivered to the Power Pool.
- (c) The Generating Customer will be responsible for securing all required technical, commercial, or operational arrangements with the ISO.
- (d) The Generating Customer will be responsible for providing technical information to the Association's WSP as required. The Association's WSP will treat this information as confidential and will not release such information to any other parties without the expressed and written consent of the Generating Customer.
- (e) The Generating Customer will be responsible for operating in compliance with accepted industry operating and maintenance standards as established, from time to time, by the ISO and the Association's WSP, and as specified in the operating agreement between the Generating Customer and the Association's WSP. The Association's WSP shall have the right to inspect the Generating Customer's facilities for compliance.

- (f) The Association's WSP will be responsible for providing technical information to the Generating Customer as required. The Generating Customer will treat this information as confidential and will not release such information to any other parties without the expressed and written consent of the Association's WSP. Information related to distribution system use or modeling of such use, may be restricted in order to respect Customer confidentiality.

9.6 Incremental Interconnection Costs

- (a) The Generating Customer will be required to pay all incremental interconnection costs as determined by the Association's WSP, to allow the Generating Customer to make use of the Association's distribution system, including:
 - (1) any costs of connection to the Distribution system, including any cost sharing to load Customers ;
 - (2) any costs to upgrade existing distribution Facilities;
 - (3) an application fee associated with performing engineering estimates, planning, operating or protection studies or any additional or routine modeling and testing required by the ISO, as set forth in Schedule B hereto;
 - (4) any costs of protection, anti-islanding circuitry, communication facilities, telemetry or modification to Distribution or Transmission facilities required to reliably separate the generator from the electric system.
- (b) An agreement for payment of the incremental costs must be made between the Generating Customer and the Association's WSP before any work on the interconnection is commenced;
- (c) The Generating Customer shall be required to pay all replacement costs for all incremental interconnection Facilities including the replacement of assets at the end of useful life or replacement due to failure, including but not limited to, elements such as transformers, poles, regulators, capacitors, line conductor, and teleprotection systems.

- (d) The Association's WSP may provide the Generating Customer with an option to pay for the replacement costs over time as defined in Section 9.8.

9.7 Ownership of Facilities

- (a) The Association remains the owner of all interconnection Facilities it provides to serve the Generating Customer, unless an agreement between the Association and the Generating Customer specifically provides otherwise.
- (b) Payment made by Generating Customers for costs incurred by the Association in installing Facilities does not entitle Generating Customers to ownership of any such Facilities, unless an agreement between the Association and the Generating Customer specifically provides otherwise.

9.8 Payment Options and Credit Requirements

The Association's WSP may provide the Generating Customer with an option to pay for the incremental interconnection costs determined under section 9.6 over time, providing they satisfy they satisfy the credit requirements listed herein. The payment period will not exceed five years.

- (a) Subject to review and reassessment of the credit worthiness of a Generating Customer by the Association's WSP from time to time, the Association's WSP has established the following minimum financial criteria for Generating Customers requesting to pay for the incremental costs over time. The Generating Customer will be deemed to have met the credit requirements if:
 - (1) the Generating Customer, affiliate or person which guarantees the financial obligation of the Generating Customer in a manner acceptable to the Association's WSP has at least an "A" rating from the Canadian Bond Rating Service or an equivalent rating from a major reputable bond rating service satisfactory to the Association's WSP, or
 - (2) the Generating Customer provides, in a manner acceptable to the WSP, a bank guarantee, irrevocable letter of credit, or cash deposits drawn on a

Canadian Chartered Bank, trust company, credit union or other lending institution acceptable to the Association's WSP.

- (b) The Association's WSP will secure the following minimum information and supporting documentation prior to entering into a contract with a Generating Customer to conduct a credit risk assessment.
 - (1) Most recent credit rating report from a recognized rating agency and a list of bank credit and trade references, including address, phone numbers and bank officer.
 - (2) Audited financial statements for the latest two years (two most recent Annual Report to Shareholders, if applicable).
 - (3) Description of the corporate structure, including the name of the Chief Executive Officer and Chief Financial Officer.
 - (4) Legal name, address, phone, and fax numbers of the Generating Customer,
 - (5) Certificate specifying the names, titles, and specimen signatures of the persons authorized to approve and confirm contracts.
- (c) All costs associated with obtaining financial security and meeting prudential requirements are the responsibility of the Generating Customer.

9.9 Incremental Operations and Maintenance Charges (O & M)

- (a) The Generating Customer will be required to pay ongoing incremental operation and maintenance charges based on the incremental interconnection costs determined in section 9.6. The annual incremental O & M is calculated as the ratio of annual O & M costs to Gross Rate Base contained in Price Schedule D31 (4.88%). The monthly incremental O & M charge will be as follows:

(4.88%) X Incremental Interconnection Costs

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- (b) The monthly operations and maintenance charge will apply as long as the Generating Customer takes service and will include the costs of normal preventative

and fault maintenance, including replacement of insulators, conductors, fuses, single poles, on going brushing and switching to perform normal preventative maintenance and fault isolation.

- (c) Any expenses incurred by the Association's WSP to perform switching or isolation at the request of the Generating Customer will be recovered directly from the Generating Customer.

9.10 Incremental Administration and General Charges (A & G)

The Generating Customer will be required to pay ongoing incremental administration and general charges based on the incremental interconnection costs determined in section 9.6. The annual incremental A & G factor will be calculated as the ratio of annual A & G costs to the Gross Rate Base in Price Schedule D31 (2.91%). The monthly A & G charge will be as follows:

$$\frac{(2.91\% \times \text{Incremental Interconnection Costs})}{12}$$

The monthly A & G charges will apply for as long as the Generating Customer takes service.

ARTICLE 10 – METERS

10.1 Installation of Meters

10.1.1 Provision and Ownership

The Association's WSP shall provide, install, and seal one or more meters for the purpose of measuring the Energy delivered to a Customer by way of a Service Connection. Time of use or interval meters and associated communication equipment shall be installed for a Customer who has a connected load exceeding the threshold defined under the System Settlement Code. Each meter, except for any automatic meter reading components, shall remain the sole property of the Association.

10.1.2 Responsibility of Customer

When requested by Association or its WSP each Customer shall have installed a CSA-approved meter receptacle or other CSA-approved facilities suitable for the installation of the Association's meter or metering equipment.

10.2 Location

Meter locations shall be approved by the Association or its WSP based on type of service and convenience of access to the meter. Where a meter is installed on a Customer-owned pole, the pole shall be provided and maintained by the Customer as required by the Canadian Electric Code and any other applicable legislation.

10.3 Access to Meters

- (a) The Association's WSP may, at any reasonable time, read, inspect, remove and test a meter installed on property owned or controlled by the Customer.
- (b) Upon written request to the Association's WSP, the Customer may access pulse data directly from its interval meter. The Customer Guide to New Extensions sets out the method in which costs are to be recovered.

10.4 Meter Test and Adjustments

- (a) The Association's WSP may inspect and test a meter at any reasonable time. At the request of the Customer's Retailer, the Association or Association's WSP shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by an official designated for that purpose by Measurement Canada or accredited agency as may, from time to time, be designated for this purpose.
- (b) If a test determines that the meter is not accurate within the limits set by government standards, the Retailer's Customer bill will be adjusted accordingly, subject to section 9 of the **Regulated Default Supply Regulation, A.R., 168/2003**. Where it is impossible to determine when the error commenced, it shall be deemed to have commenced three (3) months before the test on the date of the meter installation, whichever occurred later. Neither the Association nor the Association's WSP shall

be liable to the Customer or Retailer for any additional costs that are associated with such metering or meter reading errors.

- (c) The Association's WSP reserves the right to assess a charge to the Retailer for a meter test, in circumstances where the Association's WSP has not been responsible for any metering error, as set forth in Schedule B hereof. This charge will not apply in circumstances where the meter has been tested to be faulty.

10.5 Energy or Demand Diversion

- (a) If under any circumstances, a person, agent or contractor, prevents a meter from accurately recording the total demand or energy supplied, the Association's WSP may disconnect the service, or take other appropriate actions to ensure access to accurate meter data.
- (b) The Association's WSP may then estimate the demand and amount of energy supplied but not registered at the Point of Service. The Retailer shall pay the cost of the estimated demand and energy consumption plus all costs related to the investigation and resolution of the diversion.

ARTICLE 11 – RENDERING AND PAYMENT OF BILLS

11.1 Reading and Estimates

Billing will be based on meter readings made by the Association or its WSP from time to time or on estimates for those billing periods when the meter is not read. The Association's WSP reserves the right to assess a charge to the Retailer for additional reads above the standard practices as defined in Schedule B hereof.

11.2 Proration of Bills

- (a) The amount of any initial and final charges, other than consumption based charges, may be prorated, based upon the ratio of the number of days that service was provided to a Customer in the billing period to the total number of days in the billing period.

- (b) The Association or its WSP may elect to change a Customer's meter reading schedule.
- (c) Where a meter reading schedule is changed, any charges other than energy, during the transition period between the old and new meter reading schedule, may be prorated based upon the ratio of the number of days that service was provided to a Customer in the transition period to the total number of days in a normal billing period (thirty (30) days).
- (d) The Association or its WSP may elect not to charge a Customer for the billing period if, during that period, demand was five kilowatts or less, service was provided for five days or less and energy consumption was five kilowatt hours or less.
- (e) For all new accounts, the Association or its WSP may add the charges for service provided during the initial period to the bill for the following billing period.

11.3 Payment

- (a) The payments for service provided to the Customer under the Association's Price Schedule (and collected by the Retailer, if applicable) shall commence on the earlier of the first billing date after the date upon which the Customer commences taking service, or thirty (30) days after the date that service is made available to the Customer.
- (b) The Customer shall pay all amounts required to be paid under these Terms and Conditions upon receipt of a bill for such amounts. Bills shall be deemed rendered and other notices duly given when delivered to the Customer at the address for service. Failure to receive such bill from the Association's WSP will not entitle the Customer to any delay in the settlement of each account, or to any extension of the date after which a late payment charge becomes applicable. Any bill rendered to a Customer for which valid payment has not been received by the date indicated on the bill shall be considered past due. The Association's WSP reserves the right to assess a late payment charge as set forth in Schedule B hereof.

11.4 Late Payment Charge

If a Customer defaults or is late in paying its bill, the Association's WSP will apply a late payment charge of 1% per month on the amount due. The billing process is as follows: The Association's WSP will invoice the Customer each billing cycle for the period prior to the billing cycle. The Customer shall pay the Association's WSP on or before the 13th Business Day (17 calendar days) following the Business Day on which the Customer was invoiced. The Association's WSP applies a short grace period before it applies the late payment charge if it can be demonstrated that the bill was paid on time at the Customer's financial institution. If payment is not received, the Association's WSP applies a 1% penalty on the amount due. If the Customer fails to pay the balance on its next billing cycle, a 1% penalty is applied to the balance carried forward (including interest). If an outstanding balance remains on a going-forward basis, the Association's WSP will initiate collection action including disconnecting service to the Customer or forwarding request to the Association for subsequent follow-up action.

11.5 Returned Cheque Fee

The Association's WSP reserves the right to assess a service charge to the Customer, or the Customer's Retailer in respect of any cheque returned by the Customer's bank for any reason as defined in Schedule B hereto.

11.6 Adjustment of Bills

11.6.1 Billing Error

Should the Retailer dispute any amount owing, the Retailer shall nonetheless pay such disputed amount and subject the dispute for resolution in accordance with these Terms and Conditions. Following resolution of any such dispute, the Association's WSP will return any amount found owing to the Retailer forthwith. Subject to Section 9 of the *Regulated Default Supply Regulation, A.R., 168/2003*, the right or ability of either party to dispute a bill for service provided hereunder shall only apply to bills rendered during a period of two (2) years prior to the date of a written notice of such dispute. The Association's WSP may assess a charge to the Retailer for reviewing billing disputes, in circumstances where the Association's

WSP has not been responsible for any billing error, and a meter test was required, as established in Schedule B hereof.

11.6.2 Unauthorized Use

Where the Association's WSP determines that there has been unauthorized use of electric service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of energy whereby the Association or its WSP is denied full compensation for service provided, the Association's WSP will bill the Customer's Retailer for the Association's estimated energy and wires charges of such unauthorized use, including repairs of damage or reconstruction of WSP or Association's Facilities. Nothing in this section shall limit any other rights or remedies that the Association or its WSP may have in connection with such unauthorized use.

If it is determined that the Customer is not enrolled with a Retailer at the time of the unauthorized use, the Customer will pay all applicable charges including the cost of energy billed to the Association's WSP by the Power Pool.

11.7 Peak Metered Demand Waiver

11.7.1 Load Management

The Association's WSP will forgive the Customer's distribution peak demand ratchet if that Customer has invested in demand management equipment and complies with the following requirements:

- (a) The Customer has demonstrated, to the Association's WSP, that the investment in new equipment was installed solely for the purpose of reducing peak demand. If the Association's WSP is unable to determine if the reduction in demand was installed solely for the purpose of reducing demand, the Association's WSP or the Customer may contract with an independent third party to assist in the determination. The third party costs shall be the responsibility of the Customer requesting demand ratchet relief.

- (b) The Customer provides the information necessary for the Association's WSP to determine that the equipment was installed solely for the purpose of demand management.
- (c) The Customer is served from shared distribution Facilities.
- (d) The reduction in demand will result in extended life or capacity of the distribution system and must result in a reduction of forecast Association or interconnected system investment in those Facilities.

The Transmission portion of the demand ratchet will be waived if the WSP does not continue to incur ISO costs associated with that Customer's reduction in demand as a result of diversity at the transmission system point of delivery, or if the ISO waives the respective transmission demand charge.

11.7.2 Forgiveness of New Distribution Peak Demands

The Association's WSP will forgive new peak demands when:

- (a) The Customer's new peak demand is a result of an unscheduled power outage caused by Association's WSP, which consequently requires a Customer to operate at a load above that considered normal for the Customer's operation in order for that Customer to meet previously determined production requirements.

It is the Customer's responsibility to demonstrate, to the Association's WSPs satisfaction that the increase in demand was a direct result of a need to meet previously determined production requirements. The simultaneous startup of Customer equipment after a power outage resulting in a Customer establishing a new demand will not qualify for forgiveness of the new peak demand.

If the Customer's request for ratchet waiver meets the above criteria, the normal demand will replace the new peak demand for billing purposes; or

- (b) The Customer's new peak demand is the result of a reduction in Customer owned generation, or the implementation of emergency procedures at a facility without Customer owned generation, in response to a catastrophic event such as a fire, explosion, or similar disaster at the Customer's facility.

If the Customer's request for demand waiver meets the above criteria, the new peak demand will be used for billing purposes for the billing period during which the new peak demand was established, but it will be waived for ratchet purposes for future bills.

11.8.3 Transmission Demand

If the Association's WSP estimates that it has incurred a transmission system point of delivery ratchet, as a direct result of providing service to the Customer, the Association's WSP will waive the new peak demand if the ISO waives the new peak demand to the Association's WSP.

ARTICLE 12 – CHANGE IN SERVICE CONNECTION

12.1 Prior Notice by Customer

- (a) A Customer shall give to the Association or WSP reasonable prior written notice of any change in service requirements, including any change in load to enable the Association's WSP to determine whether or not it can supply such revised service without changes to its facilities. A Retailer or any other person acting as agent for a Customer and who provides the Association or its WSP with verifiable authorization from the Customer may give such notice to the Association or its WSP on the Customer's behalf. If the Association or its WSP receives such notice from a Retailer or other person, the Association or its WSP may at its option require such notice directly from the Customer.

- (b) The Customer shall not change its requirement for a Service Connection without the WSP's written permission. The Customer shall be responsible for all damage caused to the Association's distribution system or its interconnected system as the result of the Customer changing its requirements for a Service Connection without the Association or its WSP's permission.

12.2 Relocation of Association Facilities

The Association may require a Customer to pay all reasonable costs incurred by the Association or its WSP in relocating any Association's Facilities at the Customer's request.

If requested by the Association's WSP, the Customer shall pay the estimated cost of the relocation in advance.

ARTICLE 13 – SERVICE DISCONNECTS AND RECONNECT

In accordance with the Settlement System Code, any requests to disconnect service by a Customer shall be made through the Customer's Retailer. If the Customer notifies the Association's WSP the disconnect is short-term and required for reasons including but not limited to equipment testing and inspection, the Association's WSP reserves the right to complete the request for disconnect and subsequent reconnect. If the Association's WSP determines the disconnect request falls under the provision of idle service, the Association's WSP will administer the request as per this Article.

13.1 Disconnection and Idle Service

Upon the request of the Customer or the Customer's Retailer, the Association's WSP shall temporarily disconnect any service being provided by the Association's WSP.

- (a) The Customer, or the Customer's Retailer, agrees to pay the idle service charge as determined by the Customer's applicable price schedule.
- (b) Upon the request to restore service the Customer will be responsible for and pay any applicable charges outlined under section 13.4.
- (c) Service Connections can be permanently removed only at the request of the Member or Board. Upon receipt of such a request, the Association's WSP shall read the service meter within a reasonable time and shall use its best efforts to read the meter at the time so requested by the Customer. A Customer shall pay for all service provided to the time of such reading. At the discretion of the Association, the Facilities provided by the Association will then be removed. Membership in the Association is terminated upon service removal.

13.2 Disconnection at Request of Retailer

In accordance with Section 105(1)(k) of the EUA, the Retailer shall have the right to request that the Association's WSP disconnect service to a particular Customer, and Association's WSP shall comply with that request, unless such action is inconsistent with the

Association's approved policies contained as specified in the Terms and Conditions for Distribution Access Service.

13.3 Disconnection by the Association and Association's WSP

- (a) The Association or its WSP has the right to disconnect electric service to the Customer in a number of circumstances, including but not limited to non-payment of the Association or its WSP bills or any past due charges by the Customer; or evidence of safety violations, energy theft, or fraud, by the Customer; or the Customer fails to meet its obligations under these Terms and Conditions. If a Customer notifies the Association to disconnect service and is enrolled with a Retailer, the Association's WSP will complete the request and subsequently notify the Retailer.
- (b) If the disconnect is a result of a safety violation, the Association's WSP will reconnect the service when the safety problem is resolved and when the Customer has provided, or paid the Association's WSP's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance. The WSP may assess a reconnect charge to the Retailer as set forth in Schedule B hereof.

13.4 Reconnect Service

This section applies when the Association or its WSP is asked to reconnect or restore service to a Customer or Member whose service was previously restricted by a current-limiting device, , disconnected or removed (whether or not at the request of the Customer, the Customer's Retailer, the Member or the Association).

Before reconnecting or restoring service, the Customer or the Customer's Retailer or the Member shall pay:

- (a) any amount owing including written off accounts;
- (b) a reconnection charge as defined in Schedule B;
- (c) the security deposit, if any, required under section 4.3 herein; and

- (d) the minimum monthly charge for each month of disconnection, if service is reconnected or reconstructed within 12 months of disconnection, as determined by the Association's price schedules.

- (e) the full cost of restoring the service, if reconstruction is required

13.5 Removal of Facilities

Upon termination of service, whether requested by the Member or Board, the Association shall be entitled to remove any of the Association Facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose.

SCHEDULE A – STANDARD SUPPLY SPECIFICATIONS

The Association's WSP's standard supply specifications, which are in accordance with Canadian Standards Association standard CAN_C235-83, are listed in the following section.

Upon request by the Customer, the Association's WSP may provide other supply voltages or supply arrangements. If this option is chosen, the Customer will be responsible for all incremental costs associated with provision of service using non-standard supply arrangement or voltages as determined by the Association's WSP.

1.0 Farm:

(a) 240/120 V – single phase, three wire

overhead or underground secondary conductors are supplied by the Customer

(b) 208 Y/120 V – three phase, four wire

overhead or underground secondary conductors are supplied by the Customer

2.0 General Service:

(a) 240/120 V – single-phase, three wire

i) overhead secondary conductors are supplied by the Association

ii) underground secondary conductors are supplied by the Customer

(b) 208 Y/120 V – three-phase, four wire

i) overhead secondary conductors are supplied by the Association for loads up to 150 kV.A

ii) overhead secondary conductors are supplied by the Customer for loads greater than 150 kV.A

iii) underground secondary conductors are supplied by the Customer

(c) 480 Y/277 V – three phase, four wire

i) overhead secondary conductors are supplied by the Association for loads up to 150 kV.A

ii) overhead secondary conductors are supplied by the Customer for loads greater than 150 kV.A

iii) underground secondary conductors are supplied by the Customer

(d) 600 Y/347 V – three phase, four wire1

- i) overhead secondary conductors are supplied by the Association for loads up to 150 kV.A
- ii) overhead secondary conductors are supplied by the Customer for loads greater than 150 kV.A
- iii) underground secondary conductors are supplied by the Customer

(e) 4160 Y/2400 Y – three phase, four wire, 2,000 kV.A to 10,000 kV.A

- i) overhead secondary conductors are supplied by the Customer
- ii) underground secondary conductors are supplied by the Customer

SCHEDULE B – NON-DISCRETIONARY SERVICE CHARGES

1.0 APPLICABILITY

Applicable to every Customer within the Association's service area.

2.0 SCHEDULE OF CHARGES

All charges and provisions of the Customer's applicable price schedule shall apply in addition to the following charges for the service being provided:

(a) CONNECTION FEE

- (1) Connection of electric service to any premises during the Association's WSP's regular business hours:
\$10.00
- (2) Connection of electric service to any premises after the Association's WSP's regular business hours, if requested by the Customer:
\$ WSP's actual costs (\$10.00 minimum)

(c) RECONNECTION AND DISCONNECTION OF SERVICE

- (1) Reconnection of electric service to any premises during the Association's WSP's regular business hours:
\$45.00
- (2) Reconnection of electric service to any premises after the Association's WSP's regular business hours, if requested by the Customer:
\$ WSP's actual costs (\$45.00 minimum)
- (3) Disconnection of electric service to any premises after the Association's WSP's regular business hours, if requested by the Customer:
\$ WSP's actual costs (\$45.00 minimum)

(d) REQUEST FOR INTERVAL METER

Customer request for interval metering (for connected load under 500 kW):

*Capital and Installation, Cost of meter, phone line or cell phone plus monthly phone line charges
Cost of Material and Installation plus \$70.00 per month per meter for ongoing operating and
maintenance costs*

(e) SUPPLEMENTARY METER READS ^{1/}

- (1) Conventional meter reads (AMR): **\$6.00 per read per meter**
- (2) Conventional meter reads (non AMR):
 - (i) Meter read to any premises during the Association's WSP's normal business hours:
\$45.00 per read per meter

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(ii) Meter read to any premises after the Association's WSP's normal business hours: **\$ WSP's actual costs (\$45.00 minimum)**

(f) METER DISPUTES

Review of meter dispute, which includes a meter test, in circumstances where the Association's WSP has not been responsible for any error:

Self Contained Metering **\$50.00 per evaluation**
Instrument Transformer Metering **\$200.00 per evaluation**

(g) CUSTOMER USAGE INFORMATION ^{2/}

Interval meter usage data:

Monthly meter usage data **\$200.00 per request per meter**
Hi Low Usage Report by day **\$120.00 per request per meter**

(h) DISTRIBUTION CONNECTED GENERATORS

Application fee:

Synchronous Generator **\$1,500.00 per interconnection site**
Induction Generator **Under 250 kW: \$500.00 per interconnection site**
Over 250 kW: \$1,000.00 per interconnection site
Load Following Generator **Under 250 kW: \$300.00 per interconnection site**
Over 250 kW: \$600.00 per interconnection site

(i) LATE PAYMENT CHARGE **1% per month (12.68% per annum)**

(j) RETURNED CHEQUE FEE **\$20.00**

^{1/} Standard WSP Meter Reads:	
Interval meters.....	Daily
Conventional meters (AMR and non AMR type)....	Residential and Non Residential - Monthly or Bi-monthly WSP Farm and REA - Monthly or Bi-monthly
^{2/} Standard Usage Request	
Interval meters.....	12 months of 15 minute interval data once per year per meter
Conventional meters.....	12 months of data Monthly or Bi-monthly

SCHEDULE C – ELECTRIC SERVICE CONTRACT

ELECTRIC SERVICE CONTRACT

(referred to as the "Contract")

1. PARTIES

This section identifies the parties to this Contract:

(1) _____, the person(s) applying for electrical service whose signature(s) appear at the end of this Contract and whose address is _____, Alberta _____.

is/are the **Consumer**. For the purposes of this Contract the Consumer is the registered owner.

(2) _____ **Rural Electrification Association Limited**, whose address is _____ Alberta, _____, is the corporation with whom you enter into this Contract and referred to as the "**Association**".

2. LANDS

This section describes the property that will be supplied with electrical service. Other property owned or controlled by the Consumer, which the Association had required and has previously acquired, a utility right-of-way for its electrical distribution is also subject to this Contract. Electrical service shall be provided to the following location:

_____ of _____ Section _____ Township _____ Range _____ West of the _____ Meridian, Plan _____ Lot _____

The service location and other property above will be referred to as the "Lands".

3. INTERPRETATION

The capitalized words used in this Contract shall have the following meanings:

"**UTILITY RIGHT-OF-WAY**" means; the right to access and a right on, over or under the Lands for the purpose of carrying, laying, constructing, replacing, reconstructing, altering and repairing the Association's electrical distribution system and the extension to it. It also includes the rights of entry and exit to and from the Lands for all purposes referred to in this Contract. The Parties hereby agree that where a New Extension or addition to the Association's electric distribution system is required on other properties owned by the Consumer. The Association shall notify the Consumer and require the execution of a new Utility Right-Of-Way Agreement on the effected lands. The Consumer hereby agrees that the Consumer will not refuse or hinder the construction of the new Extension or addition, nor will the Consumer unreasonably withhold the signing of such agreement.

"**AEUB**" means the Alberta Energy and Utilities Board.

"**REA MASTER AGREEMENT**" means the agreement and its renewal, replacement, as amended or substituted, made between the Associations and, depending on the service area, ATCO Electric Ltd. or Fortis Alberta as applicable and their successors or assigns.

4. THE REA MASTER AGREEMENT

This contract is subject to all the provisions of the REA Master Agreement, including those provisions that deal with requirements for the Consumer in the Association. The Consumer agrees to accept all of the provisions in the REA Master Agreement as though they were specifically set out in this Contract. The Association shall make a copy of the REA Master Agreement available to the Consumer when requested by the Consumer in writing.

5. TERMS AND CONDITIONS

This Contract is subject to all the provisions of the Associations Terms and Conditions - as approved by the Board of Directors of the Association and filed for information with the AEUB. Copies of the Terms and Conditions can be obtained from the Association, the Association's wires services provider or the AEUB.

6. UTILITY RIGHT-OF-WAY

1) **Utility Right-of-Way:**

The Consumer grants to the Association its employees, contractors and agents a Utility Right-of-Way. The Utility Right-of-Way extends to any continuation of or branch from any extension to the electrical distribution system as the Association may require to enable it to serve its other Consumers. Where the Association reasonably considers it necessary by reason of the nature of the condition of the or the circumstances then existing, the Association shall have the right to go on or across all or any part of the Lands for the purpose of gaining reasonable access to the electric distribution system. The Consumer (Registered landowner) and the Association mutually covenant and agree with each other, that the "Utility Right-Of-Way" granted, shall not be assigned to entity or persons, other than electric distribution entities under the provisions of the Terms and Conditions set out in this contract.

2) **Duration of the Utility Right-of-Way:**

The Utility Right-of-Way granted continues in full force and effect for so long as the Association, successors and assigns, continue to maintain and operate its electrical distribution facilities located on the Lands. The Utility Right-of-Way shall continue even if any of the following events happen:

- i. the Consumer or the Association no longer uses the service;
- ii. the Association stops providing some or all of its service to the Consumer, any subsequent owner, lessee or occupier of the Lands:
or
- iii. this Contract is terminated.

3) **Vegetation Management:**

The Utility Right-or-Way gives the Association the right to carry out vegetation management programs, including the removal of trees and brush. The Association is responsible for all vegetation management on all the high voltage lines up to and including the transformer pole. The Consumer is responsible for all vegetation management on secondary lines that are low voltage. The consumer also agrees not to plant any trees or shrubs, which may encroach on the right-of- way granted by this utility right-of-way. If such trees are planted the Association shall have the right to remove them at the Consumer's expense.

4) **The Consumer charges the Lands set in clause 2 above for any debt, interest and costs that may become owing by the consumer to the Association pursuant to this Contract and the said Lands are hereby secured to the extent of that debt.**

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7. TERM

This Contract will continue in effect, unless either the Consumer or the Association gives the other party at least thirty (30) days written notice requesting this contract be terminated, provided that all Regulated Rate Option obligations, if applicable, have been fulfilled.

8. VERBAL AGREEMENTS

No promises, agreements or representations of any agent or employee of the Association shall be binding unless this contract is amended in writing and agreed upon by both parties to the Contract.

9. TRANSFER OF CONTRACT

The contract is not transferable or assignable by the Consumer.

10. ASSOCIATION'S AGENT

The Association is entitled to assign any part of this contract. The Association is also entitled to appoint, employ or engage any person to do any act or thing which the Association is required or entitled to do under this Contract. Such person may act in his or her own name or in the name of the Association.

11. TITLE

The Association remains the owner of all facilities necessary to provide service to the Consumer. Any contribution made by the Consumer does not entitle the consumer to any ownership of facilities.

12. INDEMNIFICATION

The word "indemnity" is a legal term, which means to protect from and compensate for any losses from penalties or liabilities. The Consumer agrees to indemnify the Association, its employees and agents, from any claim or for injury to person(s) or damage to property related to the use of the electrical service provided. This indemnification applies so long as injury or damage was not caused by willful misconduct or negligence of the Association or its employees and agents.

13. AUTHORITY

The Association is subject to the authority of the AEUB or its successor. Electrical energy under this Contract shall be provided in compliance with any directives the AEUB may issue from time to time.

14. LIABILITY

If the Consumer is made up of two or more parties, all obligations and liabilities of the Consumer arising from this contract will apply to each party independently.

15. BINDING EFFECT

This Contract will only become binding and enforceable once it has been accepted by the Association. The Association is entitled to refuse any application for electric service. Any funds received with an application that is refused will be returned.

16. NOTICE

Notice required under clause 7 shall be deemed to have been properly given by mailing the same to the other party at the address in 1 (a) above and shall be conclusively deemed to be received by the other party seven (7) days after postmarked.

17. TIME AND BENEFIT

Time shall be of the essence in this Contract. This means that the provisions of the Contract will be performed by the parties as soon as reasonably possible in the circumstances.

18. GENERAL

This Contract shall be binding on and enforceable by the parties as well as their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Consumer has executed this application this _____ day of _____, _____.

Witness

Consumer's Signature

Witness

Consumer's Signature

Witness

Consumer's Signature

This application accepted by the Association this _____ day of _____, _____.

Rural Electrification Association Ltd.

Per: _____

Revised April 2004 / AE CPSC

Per: _____

FOR OFFICE USE ONLY	
TYPE OF CONTRACT:	
<u>ORIGINAL</u> <input type="checkbox"/>	<u>OR</u>
<u>REPLACEMENT</u> <input type="checkbox"/>	
If this is a replacement contract, who is being replaced: _____	

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Registration of the Utility Right of Way under the *Land Titles Act*

I/We _____, (hereinafter called "the Grantor") being the registered owner(s) of the parcel of land legally described as: *(INSERT BELOW THE FULL LEGAL DESCRIPTION AS DESCRIBED IN THE CERTIFICATE OF TITLE)*

do hereby grant unto the _____ Rural Electrification Association whose address is _____, Alberta, Canada, a Utility Right-of-Way which includes the right to access and a right on, over or under the Lands for the purpose of carrying, laying, constructing, maintaining or using conduits, cables, wires, poles or transmission lines, in addition to installing, operating, inspecting, patrolling, removing, replacing, reconstructing, altering and repairing the Association's electrical distribution system and the extension to it. It also includes the rights of entry and exit to and from the Lands for all purposes referred to in the Electric Service Contract.

IN WITNESS WHEREOF the Grantor has subscribed their name this _____ day of _____, 2_____.

Witness

(Consumer's Signature)

AFFIDAVIT OF EXECUTION

CANADA) I, _____, of _____, in the
PROVINCE OF ALBERTA) Province of Alberta, MAKE OATH AND SAY THAT:
TO WIT:)

1. I was personally present and did see _____ named in the within Instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.
2. The same was executed at _____, Alberta, and that I am the subscribing witness thereto.
3. I know the said _____ and he/she is in my belief, of the full age of eighteen years.

SWORN BEFORE ME at _____,)
in the Province of Alberta, this _____ day of _____, 2_____)

Witness

A Commissioner for Oaths in and for the Province of Alberta