



**TERMS AND CONDITIONS
FOR
DISTRIBUTION SERVICE CONNECTIONS**

**Distribution Tariff Application
EUB Decision 2001-61**

**Effective: July 6, 2001
Supercedes: July 1, 2001**

TABLE OF CONTENTS

ARTICLE 1 – PREAMBLE.....	7
ARTICLE 2 – DEFINITIONS AND INTERPRETATION.....	8
2.1 Definitions.....	8
2.2 Conflicts	14
2.3 Headings	14
2.4 Schedules and Appendices	14
ARTICLE 3 – GENERAL PROVISIONS.....	14
3.1 Board Approval.....	14
3.2 Electric Service Tariff.....	15
3.3 Effective Date.....	15
3.4 Terms and Conditions Prevail.....	15
3.5 Customer Guide to New Extensions.....	16
3.6 Web Site.....	16
3.7 Ownership of Facilities.....	16
3.8 Fees and Other Charges	17
ARTICLE 4 – ESTABLISHMENT OF SERVICE.....	17
4.1 Application for Service Connection.....	17
4.2 Method of Application.....	17
4.2.1 Form and Acceptance of Application.....	17
4.2.2 Application by Retailer or Other Person.....	18
4.3 Establishment and Re-establishment of Credit or Deposits	18
4.3.1 Establishment of Credit	18
4.3.2 Re-establishment of Credit.....	20
4.3.3 Amount of Security Deposits	20
4.3.4 Refunds of Security Deposits	21
4.3.5 Interest of Security Deposits	21

4.3.6	Use of Security Deposits	22
4.4	Rejection of Application.....	22
4.5	Electric Service Agreement	23
4.6	Approvals	24
4.7	Temporary Service.....	24
4.8	Information and Requirements for Service.....	24
4.8.1	Distribution Service Connections	24
4.8.2	Distribution Access Service.....	25
4.8.3	Customer Usage Information.....	25
4.9	Application of Price Schedules	26
4.10	Exit/Entry Fee for Regulated Rate Tariff Service	27
4.11	Connection Fee.....	28
ARTICLE 5 – SERVICE REQUIREMENTS AND FACILITIES.....		29
5.1	Customer Provided Facilities and Requirements	29
5.1.1	Protection of the Company's Equipment.....	29
5.1.2	Power Factor	29
5.1.3	Compliance with Requirements and Use of Service Connection	30
5.1.4	Extensions	30
ARTICLE 6 – RIGHTS OF WAY AND ACCESS TO FACILITIES		30
6.1	Easements	30
6.2	Right of Entry.....	30
6.3	Vegetation Management.....	31
6.4	Interference with Company's Facilities	31
ARTICLE 7 – DISTRIBUTION AND TRANSMISSION EXTENSION.....		31
7.1	General Requirements.....	31
7.2	Determination of Customer Distribution Costs and Contributions	32
7.2.1	Customer Distribution Extension Costs	32
7.2.2	Distribution Contribution	33
7.3	Determination of Customer Transmission Costs and Contributions	33
7.3.1	Customer Transmission Extension Cost.....	33

7.3.2	Transmission Contribution.....	34
7.4	Electric Service Agreement Terms.....	34
7.5	Changes in Point of Delivery (POD) Demand.....	35
7.6	Distribution Contribution Refund.....	35
7.6.1	Time for Payment of Refund.....	35
7.7	Delay in Taking Service.....	36
7.7.1	Subdivision or Multiple Dwelling Residence.....	36
7.7.2	Non-Subdivision or Non-Multiple Dwelling Residence.....	36
7.8	Underground Subdivision Extensions.....	36
7.9	Conversion from Overhead to Underground Service.....	36
ARTICLE 8 – SERVICE CONNECTION.....		37
8.1	Company Responsibility and Liability.....	37
8.1.1	Continuous Supply.....	37
8.1.2	Interruption.....	37
8.1.3	Reasonable Efforts.....	38
8.1.4	Company Liability.....	38
8.1.5	Force Majeure.....	39
8.2	Customer Responsibility and Liability.....	39
8.2.1	Customer Responsibility for Facilities.....	39
8.2.2	Customer Liability.....	39
8.2.3	Protective Devices.....	40
8.2.4	Service Calls.....	40
8.3	Interference with the Company's Property.....	40
8.4	Unauthorized Use.....	40
8.5	Multiple Dwellings.....	41
8.6	Mobile Homes.....	41
8.7	Frequency and Voltage Levels.....	41
ARTICLE 9 – GENERATING CUSTOMERS.....		42
9.1	Continuous Service.....	42
9.2	Planned Outages.....	42
9.3	Company Liability.....	42

9.4	Force Majeure	43
9.5	Generating Customer Responsibilities	43
9.5.1	Protective Devices	44
9.5.2	Service Calls	44
9.5.3	Company Disconnection for Safety Reasons	45
9.5.4	Metering and Settlement.....	45
9.5.5	Meter Test.....	46
9.5.6	Energy or Demand Diversion	47
9.5.7	Permits and Agreements	47
9.5.8	Approvals	48
9.6	Incremental Interconnection Costs	49
9.7	Ownership of Facilities.....	50
9.8	Payment Options and Credit Requirements.....	51
9.9	Incremental Operations and Maintenance Charges (O&M).....	52
9.10	Incremental Administration and General Charges (A&G)	53
ARTICLE 10 – METERS		53
10.1	Installation of Meters.....	53
10.1.1	Provision and Ownership.....	53
10.1.2	Responsibility of Customer.....	53
10.2	Location.....	53
10.3	Access to Meters.....	54
10.4	Meter Test and Adjustments.....	54
10.5	Energy or Demand Diversion.....	55
10.6	Changes to Metering Equipment.....	55
10.7	Totalized Metering.....	56
ARTICLE 11 – RENDERING AND PAYMENT OF BILLS.....		56
11.1	Reading and Estimates.....	56
11.2	Proration of Bills	57
11.3	Payment.....	57
11.4	Late Payment Charge	58
11.5	Summary and Consolidated billing	58

11.6	Returned Cheque Fee.....	58
11.7	Adjustment of Bills.....	59
11.7.1	Billing Error.....	59
11.7.2	Unauthorized Use.....	59
11.8	Peak Metered Demand Waiver.....	59
11.8.1	Load Management.....	59
11.8.2	Forgiveness of New Peak Demands.....	60
11.8.3	Transmission Demand.....	61
ARTICLE 12 – CHANGE IN SERVICE CONNECTION.....		61
12.1	Prior Notice by Customer.....	61
12.2	Changes to Company Facilities.....	62
12.3	Relocation of Company Facilities.....	62
ARTICLE 13 – CHANGE IN CONTRACT DEMAND.....		62
13.1	Distribution Contract Demand (DCD).....	62
13.2	Transmission Contract Demand (TCD).....	64
ARTICLE 14 – SERVICE DISCONNECTS AND RECONNECT.....		65
14.1	Disconnection and Idle Service.....	65
14.1.1	Temporary Disconnection.....	65
14.1.2	Permanent Disconnection.....	65
14.2	Disconnection at Request of Retailer.....	66
14.3	Disconnection by the Company.....	66
14.4	Reconnect Service.....	67
14.5	Removal of Facilities.....	67
ARTICLE 15 – CONTRACT EXIT PROVISIONS.....		68
15.1	Distribution Related Exit Costs.....	68
15.2	Transmission Related Exit Costs.....	68

SCHEDULE A – STANDARD SUPPLY SPECIFICATIONS	69
SCHEDULE B – AVAILABLE COMPANY INVESTMENT	72
SCHEDULE C – CONDITIONS OF UNDERGROUND SERVICE.....	77
SCHEDULE D – ELECTRIC SERVICE AGREEMENT	79
SCHEDULE E - BACKOUT ELECTRIC SERVICE AGREEMENT	83
SCHEDULE F – NON-DISCRETIONARY SERVICE CHARGES	86
SCHEDULE G - DISTRIBUTION CONTRACT BUYDOWN COSTS AND CONTRIBUTION REFUND CREDITS.....	89

ARTICLE 1 – PREAMBLE

In accordance with the provisions of the *Electric Utilities Act* ("EUA") and the Regulations made thereunder ("Regulations"), ATCO Electric Ltd. ("ATCO Electric") in its role as a wire owner will carry out the functions necessary to furnish electric facilities to end-use Customers in its service area to enable Customers to purchase electricity for that person's own use from a Retailer or if eligible as defined under the Regulated Rate Option Regulation, from the Company under the Regulated Rate Tariff. These Terms and Conditions are intended to govern the relationship between ATCO Electric and Customer(s) that require a Service Connection to the Company's electric distribution system. These Terms and Conditions will also govern the relationship between ATCO Electric and Retailer(s) or any other person whom the Customer has assigned to act on its behalf in its dealings with ATCO Electric, regarding the provision of wire service on its electric distribution system.

These Terms and Conditions serve as a companion to the Terms and Conditions for Distribution Access Service which are intended to enable Retailers to acquire access to the Company'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 is regulated by the Alberta Energy and Utilities Board ("EUB"), and parties having any inquiries or complaints regarding these Terms and Conditions may direct such inquiries or complaints directly to ATCO Electric or to the Board. These Terms and Conditions have been approved by the EUB.

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. 1995, c. E-5.5, as amended from time to time;

"Available Company Investment" means the available investment in dollars as set forth in Schedule B hereto;

"Backout Electric Service Agreement" means an agreement to cover for the capital and other expenditures made by the Company for the provision of a Service Connection before construction and before the Customer's Electric Service Agreement is completed.

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

"Board" or *"EUB"* means the Alberta Energy and Utilities Board established under the *Alberta Energy and Utilities Board Act*, S.A., 1994, c. A-19.5, as amended from time to time;

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

"Company" means ATCO Electric Ltd. or its successor;

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

"Contract Demand" means the contract demand established between the Customer and the Company as follows:

-
- (a) *"Distribution Contract Demand"* – (DCD) the demand level in kW used to establish the Available Company Investment (\$) in Customer related distribution facilities. The demand level will also establish the Customer's minimum monthly distribution bill. The DCD is established by the Company in consultation with the Customer;
- (b) *"Transmission Contract Demand"* – (TCD) the demand level in kW used to establish the Company's contribution to the TA in Customer related transmission facilities;

"Contract Term" means the period of time during which the Customer continues to take service under these Terms and Conditions until service is no longer required.

"Customer" means a person, firm, partnership, corporation, REA, organization or association (including, without limitation, individual members of any unincorporated entity) served by the Company, but does not include a public utility or any member of an REA;

"Customer Contribution" means the sum of the Distribution Contribution and the Transmission Capital Costs (Contribution) that the Customer shall pay to the Company to install the Facilities necessary to provide a Service Connection to the Customer.

"Customer Extension Costs" means the costs to extend service to a Customer and are defined as follows:

- (a) *"Distribution Capital Costs"* – the estimated costs of materials, labor, expenses, allocated overhead, and any other costs incurred by the Company in extending service to a Customer, related to distribution voltages of 25 kV and lower;
- (b) *"Transmission Capital Cost (Contribution)"* – the portion of the Company's contribution to the TA, as established by the TA, which the Company incurs to extend service to a particular Customer;

"Customer Usage Information" means information regarding the historical electricity consumption of a Customer;

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

"Developer" means the person or party who has requested an underground service;

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

"Distribution Contribution" means the Distribution Capital Costs less the Available Company Investment;

"Distribution Tariff" means a distribution tariff prepared by the Company in accordance with the *Distribution Tariff Regulation, A.R. 84/2000*, as amended from time to time;

"Dwelling" means a private residence provided with sleeping and cooking facilities intended for domestic use and in which the occupants live as a single housekeeping unit that is not part of a Multiple Dwelling;

"Electric Service Agreement" means an agreement for the provision of a Service Connection pursuant to these Terms and Conditions, between the Company and a Customer, in the form attached as Schedule D hereto;

"Electricity Services" means the services associated with the provision of electricity to Customers, including the exchange of electricity through the power pool, making financial arrangements to manage financial risk associated with the pool price, distribution access service, system access service, system support services, billing, metering, maintaining information systems, and any other services specified in the regulations;

"Electric Service Tariff" means a Distribution Tariff and Regulated Rate Tariff prepared by the Company;

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

"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 Company, 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 Company's distribution facilities;

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

"Initial Term" means the initial period of time specified in the Customer's Electric Service Agreement in which the Customer is bound to certain obligations and benefits for the reasons set out in these Terms and Conditions;

"In-service Date" means the date on which the Customer specifies service is to be available or the date the service is actually available, whichever is later;

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

"Isolated System" means those portions of the Company's facilities which do not form part of the interconnected system;

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

"Luminaire" means an outside lighting unit fitted to a pole and consisting of a lamp and parts designed to distribute the light including reflector, bulb, lens, ballast and controls;

"Multiple Dwelling" means a building containing more than one dwelling which share all or part of a Service Connection;

"Municipality" means a city, town, village, summer village, municipal district or specialized municipality, a town under the *Parks Towns Act* or a municipality formed by special Act, and includes a Metis Settlement;

"Point of Delivery", or "POD" means the point at which electrical energy is transferred from the TFO's Transmission Facility to a distribution system and where the electric energy so transferred is measured;

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

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

"Power Pool" means the scheme operated by the persons appointed under section 9(1)(b) and (c) of the Act for the dispatch and exchange of electric energy and financial settlement for the exchange of electric energy;

"REA" means incorporated rural electrification association;

"RRR" means the *Roles, Relationships and Responsibilities Regulation, A.R. 86/2000*, as amended from time to time;

"Regulated Rate Tariff" means a regulated rate tariff prepared by the Company pursuant to the *Regulated Rate Option Regulation, A.R. 45/2000*, 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 Company's Terms and Conditions for Distribution Access Service;

"Service Connection" means (1) the facilities required to physically connect the Customer's facilities to the Company's distribution system to permit the Customer to obtain Distribution Access Service; and (2) for Customers served under the Regulated Rate Tariff, includes the delivery and supply of energy by the Company at the demand required by a Customer at a Point of Service;

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

"System Controller" means the person(s) appointed by the Power Pool Council under section 9(1)(c) of the Act to carry out the system control function of the Power Pool;

"Transmission Administrator" means the person(s) appointed by the Lieutenant Governor in Council under section 21 of the Act;

"Transmission Connected Customer" means for the purpose of exemption from distribution charges as defined in the price schedules:

- (a) a Customer whose Point of Service is at a transmission voltage (72kV and above); or
- (b) a Customer whose plant site is contiguous with a transmission facility which is under the jurisdiction of the Transmission Administrator, and takes service directly from the transmission facility, or through a transformer which is directly connected to the transmission facility.

2.2 Conflicts

- (a) If there is any conflict between a provision expressly set out in an Order of the Board and these Terms and Conditions, the Order of the Board shall govern.
- (b) If there is any conflict between a provision expressly set out in these Terms and Conditions, as may be amended from time to time, and an Electric Service Agreement, the express provision of these Terms and Conditions shall govern, as of their effective date.

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 - Available Company Investment
- Schedule C - Conditions of Underground Service
- Schedule D - Electric Service Agreement
- Schedule E - Backout Electric Service Agreement
- Schedule F - Non-Discretionary Service Charges
- Schedule G - Distribution Contract Buydown Costs and Contribution Refund Credits

ARTICLE 3 – GENERAL PROVISIONS

3.1 Board Approval

These Terms and Conditions have been approved by the Board. The Company may amend these Terms and Conditions by filing a notice of amendment with the Board. Included in the notice to the Board shall be notification of which Customer groups are

affected by the amendment and an explanation of how affected Customers will be notified of the amendments. The amendment will take effect 60 days after such notice is filed, unless the Board otherwise directs.

3.2 Electric Service Tariff

The Company's Electric Service Tariff is available for public inspection during normal business hours at the business offices of the Company and at the offices of the Board and can be accessed at ATCO Electric's website at: www.atcoelectric.com. These Terms and Conditions form part of the Distribution Tariff and the Regulated Rate Tariff and are established pursuant to Section 4 of the Distribution Tariff Regulation and Section 2 of the Regulated Rate Option Regulation.

3.3 Effective Date

These Terms and Conditions come into force on July 1, 2001. Whenever the Company files notice of an amendment to these Terms and Conditions, or when the Board approves an amendment to these Terms and conditions, revisions will be issued, with the effective date of the amendments indicated thereon.

3.4 Terms and Conditions Prevail

- (a) These Terms and Conditions, as amended from time to time, apply to the Company and to every Customer to which the Company provides a Service Connection. These Terms and Conditions also govern the relationship between the Company and Retailer or any other person whom the Customer has assigned to act on its behalf in its dealings with ATCO Electric regarding the provision of wires service on its electric distribution system.
- (b) The application for a Service Connection, the entering into an Electric Service Agreement, the use by the Customer of a Service Connection to obtain Electricity Services or the payment by the Customer of an account rendered by the Company 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.

3.5 Customer Guide to New Extensions

The Company has developed the Customer Guide to New Extensions to help Customers understand the normal practices of the Company. The Customer Guide will be updated, from time to time, to reflect changes to the electric utility industry, or the changing needs of the Company's Customers. The Company 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.

3.6 Web Site

The Company has developed a secure web site on the internet which contains certain Customer Usage Information which the Customer can access and use for its business purposes only. The terms and conditions to access the web site are set out in the Customer Use Agreement, as set out in the Customer Guide to New Extensions.

3.7 Ownership of Facilities

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

3.8 Fees and Other Charges

The Company will provide all standard services hereunder pursuant to the Distribution Tariff and the Regulated Rate Tariff. All additional, supplementary or extra non-discretionary services provided by the Company to a Customer will be charged a separate rate or fee, such as those included, without limitation, in Schedule F 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 Company 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 and any other information that may be required by the Company. The Customer shall refer to the Company's Customer Guide to New Extensions for customary information requirements.
- (b) Upon receipt of the required information, the Company 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

- (a) All Customers must be of legal age to contract for service with the Company. The Company 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 Company.

- (b) For commercial and industrial Customers, written acceptance specifying the Customer has agreed to these Terms and Conditions must be received by the Company before construction of the service will proceed.

- (c) A Customer may be required to sign the Company's Backout Electric Service Agreement, in the form attached as Schedule E hereto, before construction of the Service Connection will proceed.

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 Company, in a form acceptable to the Company, 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

(a) Customers Served under the Regulated Rate Tariff

- (1) The Company shall not require a deposit from a new applicant for service under the Regulated Rate Tariff if the applicant is able to meet any of the following requirements:
 - (i) the applicant has had service of a comparable nature with the Company at another location in the service area of the Company within the past two (2) years and was not delinquent in payment during the last twelve (12) consecutive months or disconnected for nonpayment, or

 - (ii) the applicant can produce a letter regarding credit verification from a natural gas or electric utility where service of a comparable nature was last received which states that the applicant has had service of a comparable

nature with the utility within the past two (2) years and was not delinquent in payment during the last twelve (12) consecutive months or disconnected for nonpayment, or

(iii) the applicant can provide references, satisfactory to the Company, from a credit rating agency which includes at least twelve (12) months of credit history within the past two (2) years.

(2) When credit cannot be established to the satisfaction of the Company, the applicant will be required to place a cash deposit or a letter of guarantee drawn on a Canadian Chartered Bank, trust company, credit union or other lending institution acceptable to the Company to secure payment of bills for service as prescribed herein.

(b) Customers Served on Price Schedules other than Regulated Rate Tariff

(1) All Customers served on price schedules other than the Regulated Rate Tariff will be required to follow the security requirements as defined by the Customer's Retailer.

(2) All Customers who choose to self-retail shall refer to the Terms and Conditions for Distribution Access Service for their prudential requirements.

(3) The Company 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 or Distribution Contribution, under these Terms and Conditions.

4.3.2 *Re-establishment of Credit*

(a) Former Customers with an Outstanding Balance

An applicant who has been a Customer of the Company and who is indebted to the Company 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.

(c) The Company may require a residential Customer to establish a deposit if the Customer becomes delinquent in the payment of 3 or more bills within a twelve (12) consecutive month period or has been disconnected from service during the last twelve (12) months.

4.3.3 *Amount of Security Deposits*

(a) The amount of deposit required by the Company to establish or re-establish credit shall be determined according to the following terms:

(1) Customers served under the Regulated Rate Tariff shall deposit an amount equal to 30% of the average annual bills or a preset amount of \$130 for an apartment suite, \$200 for a residential dwelling or \$250 for a mobile home.

(2) Customers served on Price Schedules other than the Regulated Rate Tariff shall meet the prudential requirements as defined by their Retailer.

(3) For Customers served on Price Schedules other than the Regulated Rate Tariff, the Company reserves the right to request

a security deposit for any amounts to be provided by the Customer, including but not limited to idle service or Distribution Contribution, under these Terms and Conditions.

4.3.4 Refunds of Security Deposits

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

- (a) Customers Served under the Regulated Rate Tariff
 - (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 Company; 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.

- (b) Customers Served on Price Schedules other than Regulated Rate Tariff

Security deposits paid by Customers, other than Customer's served on the Regulated Rate Tariff, will be refunded once the Customer has paid all amounts owing to the Company and selected a new Retailer for service post January 2001.

4.3.5 Interest of Security Deposits

Interest on each Customer's security deposit held by the Company will be calculated at the rate specified from time to time in The Residential Tenancies 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 Company, the Company may apply all or any portion of a Customer's security deposit toward payment of the outstanding amounts, including interest. When the Company has taken this step, the Customer may be required to pay to the Company the amount deducted from the Customer's security deposit. Upon termination of a Service Connection, the Company 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 Company 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 Company determines, in its sole discretion, that the Customer is not creditworthy or a previous account held by the Customer with the Company 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 Company; or
- (d) the Company determines that the form of the Electric Service Agreement is not appropriate for the Service Connection due to its unique nature and the Customer refuses to enter into an alternate form of agreement acceptable to the Company; or

- (e) any representation made by the applicant or the Customer to the Company for the purpose of obtaining a Service Connection is, in the Company's opinion, fraudulent, untruthful or misleading; or
- (f) the Customer has not, when requested by the Company to do so, provided a signed written application for a Service Connection, Electric Service Agreement or Backout Electric Service Agreement; or
- (g) the proposed loads, in the Company'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 Company's personnel or the Company's facilities or equipment.

4.5 Electric Service Agreement

- (a) A Customer may be required by the Company to sign an Electric Service Agreement in respect of a Service Connection, as set out in Schedule D. The Electric Service Agreement shall be signed by the Customer and not by its Agent.
- (b) In the absence of a signed Electric Service Agreement, the supplying of a Service Connection by the Company and the acceptance thereof by the Customer shall be deemed to constitute an agreement by and between the Company and the Customer for delivery, acceptance and payment for electric service under the Company's applicable price schedules and Terms and Conditions.
- (c) If any provision of the Customer's Electric Service Agreement, or the application thereof, is to any extent held invalid or unenforceable, the remainder of its Electric Service Agreement and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

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 Company 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, and all Company requirements applicable to the installation and operation of the Service Connection.

4.7 Temporary Service

- (a) Where the Company reasonably believes that a requested service will be temporary, it may require the Customer requesting the service to pay the Company in advance of a Service Connection, the estimated cost of facilities plus the estimated cost of installation and removal of facilities necessary for the desired service, less the value of the salvaged material.

- (b) Where duration of service is to be less than one month, the Customer may be required to advance a sum of money equal to the estimated bill for service.

4.8 Information and Requirements for Service

4.8.1 Distribution Service Connections

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

4.8.2 *Distribution Access Service*

For customers requesting information on Distribution Access Service, the Company will make available the following information:

- (a) notification and informational materials to consumers about competition and consumer choices;
- (b) the Company'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, S.A. 1998, c. F-1.05 ("Fair Trading Act")*. The Company is under no obligation to assure the accuracy of this list.

4.8.3 *Customer Usage Information*

- (a) The Company shall provide standard Customer Usage Information to a Customer that has an Electric Service Agreement in place with the Company upon request for:
 - (1) the 12-month period preceding the date of the request, or
 - (2) for any shorter period for which the Company 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 Company the authorization from the Customer in a form as set out in the Customer Guide to New Extensions.
- (c) The information referred to in part (a) above, with the exception of interval data, will be provided by the Company at no additional cost.
- (d) Customers with interval metering will have its Customer Usage Information posted to the Company's secure web site for access. Requests for Customer Usage Information that is above the information

posted on the Company's secure web site will be provided by the Company at no additional cost for requests made once per year per account. The Company reserves the right to assess a charge for additional Customer Usage Information requests as set forth in Schedule F hereof.

- (e) The Customer must submit a fully completed, executed Customer Use Agreement, as set out in the Customer Guide to New Extensions, to access its account information over the internet via the Company's secure website.

4.9 Application of Price Schedules

- (a) The Company will make Customers aware of the various price schedules under which the Company provides service to Customer rate classes. The Company 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 of ATCO Electric. The Company shall not 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 and the Regulated Rate Tariff approved from time to time by the Alberta Energy and Utilities Board (AEUB).
- (c) Subject to the above, where the Customer's service requirements change so that some other price schedule(s), riders and options may apply to the service, upon the receipt of a written request from the Customer, the Company will advise the Customer of its eligibility for service under the alternate price schedule, and the Company 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 such election will apply to all arrangements the Customer has with the Company if the Service Connection is billed on more than one price schedule.
- (e) In each circumstance, the Company may perform an investment contribution calculation to determine whether any adjustments are required to the Customer's contribution amount to recognize the different levels of company investment which apply to each price schedule.
- (f) In addition to payments for electric service, the Customer (or Retailer) is required to pay the Company the amount of any tax or assessment levied by any tax authority on electric service delivered to the Customer.
- (g) Should a dispute arise between the Company and a Customer with regards to the Customer's eligibility to switch rates, the Company will normally bring the dispute before the Board for resolution. This does not preclude the Customer's ability to bring the same dispute before the Board. Switching will not be allowed before the Board renders a decision.

4.10 Exit/Entry Fee for Regulated Rate Tariff Service

In accordance with Decision 2001-61, ATCO Electric has received interim approval from the EUB to apply an exit fee to Customers who switch from service under the Regulated Rate Tariff to a Retailer, Supplier of Last Resort or to Self-Retail status. Similarly, interim approval has been received to apply an entrance fee to Customers who switch from previous service under a Retailer, Supplier of Last Resort or Self-Retail status to the Regulated Rate Tariff.

Any additional exit/entry fee charges, resulting from the Board's final approval of exit/entry fees, will not be assessed against Customers who have already exited/entered at the level of the interim exit/entry fee.

- (a) An exit fee will be applied to Customers exiting from service under the Regulated Rate Tariff and enrolling with a Retailer, Supplier of Last Resort, or to Self-Retail status on or after 00:00:01 July 6, 2001. The exit fee will be based on the Customer's consumption during the last 12 months on the Regulated Rate Tariff.
- (b) Similarly, an entrance fee will be applied to Customers entering from previous service under a Retailer, Supplier of Last Resort, or Self-Retail status to the Regulated Rate Tariff on or after 00:00:01 July 6, 2001. The entrance fee will be based on the Customer's last 12 months of consumption.
- (c) A \$10.00 switching fee will be assessed to the Customer in accordance with Schedule D of the Terms and Conditions for Distribution Access Service following a successful enrollment to or from service under the Regulated Rate Tariff.

Any additional exit/entry fee charges, resulting from the Board's final approval of exit/entry fees, will not be assessed against Customers who have exited/entered at the level of the interim exit/entry fee (those Customers who exited after July 5, 2001 but before the effective date for the final exit fee, decided by the Board).

4.11 Connection Fee

~~4.10 Connection Fee~~

- (a) When a Customer served under the Regulated Rate Tariff 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 F herein.

- (b) For Customers served on price schedules other than the Regulated Rate Tariff, the actual costs including, without limitation, the meter connection costs, account setup costs, and the initial meter read costs will be charged to the Customer at the time of construction. A fee, as specified in Schedule F, will apply thereafter to new Customers connecting to the existing service location.

ARTICLE 5 – SERVICE REQUIREMENTS AND FACILITIES

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

5.1 Customer Provided Facilities and Requirements

5.1.1 Protection of the Company's Equipment

The Customer shall furnish and maintain, at no cost to the Company, 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 Company 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 Company'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 Company may require any Customer not satisfying this Power Factor requirement to furnish, install, and maintain, at no cost to the Company, such corrective equipment as the Company 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 Company. 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 Company's 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 Company's distribution system 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 Company, the Customer shall grant, or cause to be granted, to the Company, without cost to the Company, such easements or rights-of-way over, upon or under the property owned or controlled by the Customer as the Company 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 Company hereunder.

6.2 Right of Entry

The Company's 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 Company's facilities and for any other purpose incidental to the provision of a Service Connection and the Customer shall not prevent or hinder the Company's entry.

6.3 Vegetation Management

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

6.4 Interference with Company'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 Company's facilities or result in non-compliance with applicable statutes, regulations, standards and codes.

ARTICLE 7 – DISTRIBUTION AND TRANSMISSION EXTENSION

7.1 General Requirements

- (a) The Company's Available Company Investment Policy set out in Schedule B will apply to each Service Connection.
- (b) Upon an applicant's request for a Service Connection, the Company shall prepare a proposal outlining the estimated cost of the Service Connection and Customer Contribution to be paid by the applicant.
- (c) All agreements requiring payment by the Customer or investment by the Company shall be in writing and signed by each party.
- (d) The provisions of this section apply to those Customers who, in the Company's judgement, will have a permanent Service Connection with the Company. Customers for temporary service shall be governed by section 4.7 concerning temporary service applications.

- (e) The payment, if any, required by section (b) hereof is based on the Company's assumptions respecting the method of construction and the routing of the facilities required to serve the Customer in accordance with the Customer's request for a Service Connection. If the assumed method of construction or routing of facilities is changed for reasons beyond the Company's reasonable control as a result of which the Company would incur costs in excess of those estimated on the basis of such assumptions, then the Customer shall pay to the Company the amount by which the cost of such changed method of construction and/or routing of facilities is estimated by the Company to exceed such costs as originally estimated. The Company will outline the costs in a manner as specified in section (b) hereof and the Customer shall make payment to the Company as set out in the Customer's proposal, provided that in such case the Customer shall have the right to cancel its Electric Service Agreement by paying to the Company all costs then incurred by the Company in respect of the Service Connection requested.

7.2 Determination of Customer Distribution Costs and Contributions

7.2.1 Customer Distribution Extension Costs

The Distribution Capital Costs incurred by the Company 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 will serve a number of new Customers, an amount that represents a share of the total capital cost of the shared extension as follows:

$$\frac{(\text{Customer's estimated operating load}) \times (\text{Capital costs of shared new facility})}{(\text{Total load served by the new facility})}$$

(c) Upgrading Costs

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

7.2.2 Distribution Contribution

- (a) If the total Distribution Capital Cost is less than the Available Company Investment specified in Schedule B for the type of service provided, the Customer will not be required to make any contribution. In all other cases, an agreement for payment of the Distribution Contribution must be made between the Customer and the Company before any work on the extension is commenced.
- (b) Under no circumstances would the Available Company Investment exceed the Customer Extension Costs except under the terms noted in paragraph 3, Schedule B.

7.3 Determination of Customer Transmission Costs and Contributions

7.3.1 Customer Transmission Extension Cost

The Transmission Capital Costs incurred by the Company in extending service to a Customer may consist of the following:

- (a) Where a single Customer is served from one Point of Delivery (POD), the Customer's Transmission Capital Cost will be equal to the total contribution made by the Company to the TA.
- (b) Where a transmission contribution is incurred by the Company, from the TA, for a new facility that will serve a number of new Customers, the Transmission Capital Cost for any one of those Customers may equal a

share of the total contribution incurred by the Company for shared transmission extension as follows:

$$\frac{(\text{Customer's estimated operating load}) \times (\text{Company Contribution to TA})}{(\text{Total load served by the new facility})}$$

- (c) Where a transmission contribution is incurred by the Company, from the TA, for an expansion or extension to existing facilities, which will serve an identifiable Customer(s), the costs of such expansion or extension may be allocated to such Customer(s).

7.3.2 Transmission Contribution

If a Transmission Capital Cost is applicable to a Customer, then an agreement for payment of the Transmission Contribution must be made between the Customer and the Company before any work on the extension is commenced.

7.4 Electric Service Agreement Terms

- (a) The level in kW used to establish the Available Company Investment shall become the Customer's Distribution Contract Demand and will apply, subject to any changes, for the period of time the Customer takes service under these Terms and Conditions.
- (b) The Initial Term of the Customer's Electric Service Agreement shall be effective on the date service is first made available to the Customer's Point of Service.
- (c) If the Customer continues to take service beyond the initial term, the Electric Service Agreement remains in effect until terminated by either party in accordance with Article 15 herein.

7.5 Changes in Point of Delivery (POD) Demand

The Company reserves the right to pass through to the Customer any costs from the TA incurred by it as a direct result of:

- (a) the Company being required to establish a new POD contract, or increase to the contract demand in an existing POD contract, or
- (b) a change in the Customer's service requirements resulting in costs that the Company would not otherwise recover, or
- (c) the Customer terminating service, as defined in section 15.2 herein.

7.6 Distribution Contribution Refund

When a Customer provides a Distribution Contribution under section 7.2 to obtain service, the Company will refund a portion of the contribution in the form and manner set out in the Customer Guide to New Extensions.

(a) Change in Distribution Contract Demand:

If the Customer increases the contracted load at the Service Connection to which the Distribution Contribution relates, the Company will refund a portion of the Customer's contribution.

(b) Cost Sharing:

If a new Customer shares a portion or all of the costs an existing extension, to which the Distribution Contribution relates, the Company will refund a portion of the Customer's contribution based on the amount of extension shared and the ratio of the Customer's operating load to the total operating load.

7.6.1 Time for Payment of Refund

The refund is payable only if the events in section 7.6 occur within the Initial Term.

7.7 Delay in Taking Service

7.7.1 Subdivision or Multiple Dwelling Residence

- (a) In circumstances whereby the Company will install Facilities to serve a subdivision or a multiple dwelling residence, and it is determined that service will not be taken within 12 months of the in-service date, the Customer shall pay for the entire cost of the new extension. For each Point of Service in the subdivision or multiple dwelling residence that is energized within five (5) years of the in-service date, the Company will refund the payment for each Point of Service based on the Available Company Investment specified in Schedule B. Otherwise, the Company shall be entitled to retain such payment as compensation for its costs incurred in respect of the Service Connection.

7.7.2 Non-Subdivision or Non-Multiple Dwelling Residence

Except in the case of a Customer who requests service under section 7.7.1, if the Service Connection is not energized within 30 days of the in-service date or the Service Connection ceases to be energized, the Company may begin billing the Customer the minimum amount specified in the appropriate price schedule or as specified in the Electric Service Agreement between the Company and the Customer, whichever is greater.

7.8 Underground Subdivision Extensions

Underground subdivision Service Connections shall be undertaken subject to the Terms and Conditions set out in Schedule C.

7.9 Conversion from Overhead to Underground Service

A Customer may request that existing Company facilities be converted from overhead to underground service. The Customer, or any other person who is acting on behalf of a Customer and who provides the Company with verifiable authorization from the

Customer, will be charged for all costs incurred by the Company in connection with the conversion, including, without limitation, the following:

- (a) the present value of future revenue streams associated with the existing facilities which are being removed, plus
- (b) the estimated cost of removing the existing facilities, less the estimated salvage value, plus
- (c) the estimated cost for the installation of the new underground facilities, less any applicable company investment as specified in Schedule B.

ARTICLE 8 – SERVICE CONNECTION

8.1 Company Responsibility and Liability

8.1.1 Continuous Supply

The Company shall make all reasonable efforts to maintain continuity of service to its Customers and a continuous supply of energy to its Customers served under the Regulated Rate Tariff, but the Company cannot guarantee an uninterrupted service or supply of energy.

8.1.2 Interruption

Without liability of any kind to the Company, the Company shall have the right to disconnect or otherwise curtail, interrupt or reduce service to Customers:

- (a) whenever the Company reasonably determines, or when the Company is directed by the System Controller, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's Facilities;

- (b) to maintain the safety and reliability of the Company's distribution system;
or,
- (c) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages, potential overloading of the Company's distribution system or Force Majeure.

8.1.3 *Reasonable Efforts*

The Company 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 *Company Liability*

Notwithstanding anything to the contrary contained in these Terms and Conditions, the Company 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 Company, its employees or agents) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by the Company to 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 Company be unable, because of an event of Force Majeure, to provide a continuous supply of energy to a Customer, the Company'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 Company 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 Company 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 Company. The Customer shall be responsible for any destruction of or damage to the Company'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 Company 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 Company 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 Company, 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 Company 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 Company's Property

No one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain meters, electric equipment and other facilities owned by the Company. 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 Company.

8.4 Unauthorized Use

Where the Company determines that there has been unauthorized use of the Service Connection including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of energy whereby the Company is denied full compensation for services provided, the Company will bill the Customer (or Retailer) for the Company's estimate of such unauthorized use. Nothing in this section shall limit any other rights or remedies that the Company may have in connection with such unauthorized use.

8.5 Multiple Dwellings

- (a) Each individual unit within a multiple dwelling will be served as a separate Point of Service, unless the Company agrees otherwise.
- (b) Where the Company and a Customer have agreed that service to a multiple dwelling shall be delivered through a single Point of Service, the applicable general service (non-residential) price schedule will apply to the service.
- (c) Where a Customer was, on December 31, 1989, receiving one bill in respect of more than one unit, the Customer may continue to be billed on that basis until such time as the Customer's load changes or the service conductors and meters serving that Customer are relocated.

8.6 Mobile Homes

- (a) Service shall normally be provided to mobile homes through separate Points of Service, based on the applicable residential price schedule.
- (b) Service provided to common use areas (e.g. laundry facilities) in a mobile home park shall be separately metered and billed at the applicable general service price schedule.
- (c) In mobile home parks or trailer courts where the Company reasonably believes homes are temporary, the Company may elect to provide service only through the Point of Service billed to the mobile home park or trailer court.

8.7 Frequency and Voltage Levels

The Company 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 Company.

ARTICLE 9 – GENERATING CUSTOMERS

9.1 Continuous Service

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

9.2 Planned Outages

- (a) Without liability of any kind to the Company, the Company reserves the right to interrupt, discontinue or otherwise place limits on the output of the Generating Customer to allow for repairs and improvements to Company facilities or whenever the Company reasonably determines that such action is necessary to maintain the safety and reliability of its distribution system or in other emergency situations.
- (b) The Company 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 Company and the Generating Customer.

9.3 Company Liability

Notwithstanding anything to the contrary contained in these Terms and Conditions, the Company 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 Company, its employees or agents) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by the Company to its 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 Company be unable, because of an event of Force Majeure, to provide a continuous service to a Generating Customer, the Company'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 Company 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 Company 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 Company.
- (b) The Generating Customer shall indemnify and save harmless the Company 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 Company, its employees or agents.
- (c) The Generating Customer shall be responsible for any damage to Company 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 Company facilities. The Generating Customer shall provide and install any such devices.
- (b) The Generating Customer will provide the Company with the required documentation and settings for such devices. Where the Company has determined that there are adverse impacts on other consumers or operating processes, the Company can order modifications to these protective systems.
- (c) The Generating Customer must obtain written approval from the Company 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 Company in the operating agreement.

9.5.2 *Service Calls*

The Company 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 *Company Disconnection for Safety Reasons*

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

- (a) the Generating Customer has violated the terms of the operating agreement with the Company; 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 Company's facilities or interfere with or disturb service to any other Customer.

The Company will reconnect the service when the safety problem is resolved and when the Generating Customer has provided, or paid the Company'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 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 Company.
- (b) At the request of the Company, the Generating Customer shall install additional metering facilities if the Company determines that the existing metering facilities are inadequate or not properly configured to measure the full consumption flowing from the Company's distribution system to

the Generating Customer's facilities. The Company 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 Company's distribution system.

- (c) The power production information must be provided to the Company, the Transmission Administrator and the Power Pool in a format and frequency which is acceptable to these entities. The Company may use the power production information for internal use.
- (d) The Generating Customer must provide the Company with consumption information in a form acceptable to the Company whether or not the Generating Customer consumes power from the Company's distribution system.
- (e) Upon receipt of a request by the Generating Customer, the Company will install 4-quadrant metering facilities to measure active and reactive energy as identified in part (a). The Company will be responsible to interrogate the meter and perform all settlement transactions with the Transmission Administrator and the Power Pool. 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 5MW in capacity, or where the Company has determined that telemetry is required in order to maintain reliable operation of the distribution system.

9.5.5 *Meter Test*

- (a) The Company reserves the right to request meter test information from the Generating Customer.

- (b) If metering facilities have been removed for reasons such as, but not limited to, testing or inspection, the Company may estimate the demand and amount of energy supplied, but not registered, at the Point of Service.
- (c) The Company may, at any reasonable time, read, inspect, remove and test a meter owned or controlled by the Generating Customer. The Company shall have the right to enter a Generating Customer's property for the purpose of reading, inspecting, testing or removing the meter, and the Generating Customer shall not prevent or hinder the Company's entry.

9.5.6 Energy or Demand Diversion

- (a) If under any circumstance a Generating Customer prevents a meter from accurately recording the total demand or energy supplied from the Company's distribution system, or the consumption information has been found corrupted, the Company may disconnect the service, or take other appropriate actions to ensure access to accurate meter data.
- (b) The Company may then estimate the demand and amount of energy supplied but not registered at the Point of Service. The Generating Customer shall pay the cost of the estimated demand and energy consumption, plus all costs related to the investigation and resolution of the diversion.

9.5.7 Permits and Agreements

The Generating Customer shall obtain and provide to the Company copies of all required permits, licenses and authorizations prior to commencement of service or any change in service requirements at any point of interconnection, which includes:

- (a) AEUB approval and order to connect; and

- (b) acceptance from the local inspection and code enforcement authorities;
and
- (c) an agreement with the Company 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.

9.5.8 Approvals

- (a) The Generating Customer must obtain written approval from the Company 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 Transmission Administrator and/or the System Controller and the Power Pool of Alberta.
- (d) The Generating Customer will be responsible for providing technical information to the Company as required. The Company will treat this information as confidential and will not release such information to any other parties without the express 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 TA and the Company, and as specified in the operating agreement between the Generating Customer

and the Company. The Company shall have the right to inspect the Generating Customer's facilities for compliance.

- (f) The Company 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 express and written consent of the Company. 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 Company, to allow the Generating Customer to make use of the 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 TA and/or the System Controller, as set forth in Schedule F 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 Company 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 Company may provide the Generating Customer with an option to pay for the replacement costs over time as defined in section 9.8.
 - (h) If the facilities identified in (a) and (b) above are required to provide standby service (Price Schedule D32) to on-site load, the incremental interconnection costs that are payable by the Generating Customer may be offset by the available Company investment as per Schedule B for standby service under Price Schedule D32.
 - (i) If a new Customer or Generating Customer shares a portion or all of an existing extension, to which the interconnection costs relates, the Company will refund a portion of the Generating Customer's contribution based on the amount of extension shared and the ratio of the Generating Customer's operating load to the total operating load.

9.7 Ownership of Facilities

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

9.8 Payment Options and Credit Requirements

The Company 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 creditworthiness of a Generating Customer by the Company from time to time, the Company 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 Company 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 Company, or
 - (2) the Generating Customer provides, in a manner acceptable to the Company, 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 Company.
- (b) The Company 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 (3.76%). The monthly incremental O & M charge will be as follows:

$$\underline{\underline{(3.76\%) \times \text{Incremental Interconnection Costs}}}$$

12

- (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 Company 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 (4.76%). The monthly A & G charge will be as follows:

$$\frac{\text{(4.76\%)} \times \text{Incremental Interconnection Costs}}{12}$$

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 Company 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 500 kW. Each meter shall remain the sole property of the Company.

10.1.2 Responsibility of Customer

Each Customer shall provide and install a CSA-approved meter receptacle or other CSA-approved facilities suitable for the installation of the Company's meter or metering equipment.

10.2 Location

Meter locations shall be approved by the Company 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 Company 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 Company, 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 Company may inspect and test a meter at any reasonable time. At the request of a Customer, the Company 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 Customer's bill will be adjusted accordingly. Where it is impossible to determine when the error commenced, it shall be deemed to have commenced three (3) months before the test or the date of the meter installation, whichever occurred later. The Company shall not be liable to the Customer for any additional costs that are associated with such metering or meter reading errors.
- (c) The Company reserves the right to assess a charge to the Customer for a meter test, in circumstances where the Company has not been responsible for any metering error, as set forth in Schedule F 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 other than a Company employee, agent or contractor, prevents a meter from accurately recording the total demand or energy supplied, the Company may disconnect the service, or take other appropriate actions to ensure access to accurate meter data.
- (b) The Company may then estimate the demand and amount of energy supplied but not registered at the Point of Service. The Customer shall pay the cost of the estimated demand and energy consumption plus all costs related to the investigation and resolution of the diversion.

10.6 Changes to Metering Equipment

- (a) Should a Customer request new metering equipment beyond the basic service, the Company shall provide, install, test and maintain the required metering equipment. The metering equipment must be requested in writing by the Customer and meet the Company's requirements. The Customer shall bear the cost of providing and installing the metering equipment, and ongoing operating costs as set forth in Schedule F hereof. For changes to metering equipment on primary distribution voltage levels, the cost of providing and installing such metering equipment and the ongoing operating costs, will be determined on a case by case basis. The metering equipment shall become the property of the Company and will be maintained by the Company. The Company shall complete installation of the metering equipment within thirty (30) days of delivery from the supplier. The Company shall bill the Customer upon installation, and the Customer shall pay the Company in full within thirteen (13) business days of receipt thereof. If payment is not received within (13) business days, the Company shall charge interest on the late payment as set forth in Schedule F and section 11.4 hereof.
- (b) Should a Customer request to return the metering equipment to its previous basic form, the Customer shall bear the cost of removal and installation of the metering equipment.

- (c) Upon request by the Retailer or Customer, the Company may provide other metering services, above standard metering service, in its discretion, acting reasonably, and may charge separate fees for such service.

10.7 Totalized Metering

- (a) Normally, the Company will issue a separate bill for each Point of Service. When service is provided through multiple Points of Service to a Customer's plant site consisting of centralized processing facilities or product transportation facilities located on contiguous lands leased or owned by the Customer, where such multiple Points of Services are located within a radius of half a mile of each other, the Customer and Company may agree that the demand and the energy at each Point of Service be totalized and only one bill issued for each billing period.
- (b) Oilfield pumping service does not meet the above criteria and is therefore not eligible for totalized metering.
- (c) The Customer shall pay the incremental metering cost associated with totalized metering.

ARTICLE 11 – RENDERING AND PAYMENT OF BILLS

11.1 Reading and Estimates

- (a) Meter reads will be based on meter readings made by the Company from time to time or on estimates for those billing periods when the meter is not read. The Company reserves the right to assess a charge to the Customer for additional reads above the Company's standard practices as defined in Schedule F hereof.
- (b) For small general service Customers whose load requirements are small, consistent, and can be accurately predicted, the billing demand may be determined, at the sole discretion of the Company, from the nameplate rating of the Customer's equipment rather than being metered.

11.2 Proration of Bills

- (a) The amount of any initial and final charges, other than energy, 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 Company 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 Company 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 Company 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 Company's Price Schedule (and collected by the Retailer, if applicable) shall commence of 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 Company 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 Company reserves the right to assess a late payment charge as set forth in Schedule F hereof.

11.4 Late Payment Charge

If a Customer defaults or is late in paying its bill, the Company will apply a late payment charge of 1% per month on the amount due. The billing process is as follows: The Company will invoice the Customer each billing cycle for the period prior to the billing cycle. The Customer shall pay the Company on or before the 13th Business Day (17 calendar days) following the Business Day on which the Customer was invoiced. AE 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 Company 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 Company will initiate collection action including disconnecting service to the Customer.

11.5 Summary and Consolidated billing

The Company will issue a separate bill for each Point of Service. However, the Customer and Company may agree that the Company will issue one bill totaling charges for service billed and delivered at more than one Point of Service.

11.6 Returned Cheque Fee

The Company reserves the right to assess a service charge in respect of any cheque returned by the Customer's bank for any reason as defined in Schedule F hereto.

11.7 Adjustment of Bills

11.7.1 Billing Error

Should the Customer dispute any amount owing, the Customer 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 Company will return any amount found owing to the Customer forthwith. 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 Company may assess a charge to the Customer for reviewing billing disputes, in circumstances where the Company has not been responsible for any billing error as established in Schedule F hereof.

11.7.2 Unauthorized Use

Where the Company 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 Company is denied full compensation for service provided, the Company will bill the Customer for the Company's estimate of such unauthorized use. Nothing in this section shall limit any other rights or remedies that the Company may have in connection with such unauthorized use.

11.8 Peak Metered Demand Waiver

11.8.1 Load Management

The Company 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 ATCO Electric's satisfaction, that the investment in new equipment was installed solely for the purpose of reducing

peak demand. If the Company is unable to determine if the reduction in demand was installed solely for the purpose of reducing demand, the Company 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 Company 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 Company investment in those facilities.

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

11.8.2 Forgiveness of New Peak Demands

The Company will forgive new peak demands when:

- (a) The Customer's new peak demand is a result of an unscheduled Company power outage 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 Company's 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 Company estimates that it has incurred a POD ratchet, as a direct result of providing service to the Customer, the Company will waive the new peak demand if the TA waives the new peak demand to the Company.

ARTICLE 12 – CHANGE IN SERVICE CONNECTION

12.1 Prior Notice by Customer

- (a) A Customer shall give to the Company reasonable prior written notice of any change in service requirements, including any change in load to enable the Company 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, who provides the Company with verifiable authorization from the Customer may give such notice to the Company on the Customer's behalf. If the Company receives such notice from a Retailer or other person, the Company 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 Company's written permission. The Customer shall be responsible for all damage caused to the Company's distribution system as the result of the Customer changing its requirements for a Service Connection without the Company's permission.

12.2 Changes to Company Facilities

If the Company must modify its facilities to accommodate a change in a Customer's requirements for a Service Connection, subject to section 7.2 of these Terms and Conditions, the Company will modify the Customer's Electric Service Agreement to reflect the additional investment made by the Company.

12.3 Relocation of Company Facilities

The Company may require a Customer to pay all reasonable costs incurred by the Company in relocating any Company facility at the Customer's request. If requested by the Company, the Customer shall pay the estimated cost of the relocation in advance.

ARTICLE 13 – CHANGE IN CONTRACT DEMAND

13.1 Distribution Contract Demand (DCD)

Upon the request of a Customer, the Company will change the level of the Customer's Distribution Contract Demand and calculate the amount of any refund or buy-down cost, subject to the following:

- (a) For a Customer which has provided a Distribution Contribution under section 7.2, when a change in the Customer's load requirements results in an increase to the Customer's Distribution Contract Demand level, the Company will calculate a contribution refund based on the increase in the Distribution Contract Demand;
- (b) When a change in the Customer's load requirements results in a decrease to the Customer's Distribution Contract Demand level, the Company will calculate a buy-down amount based on the decrease in the Distribution Contract Demand.

(c) For five year contracts for large general service with a Distribution Contract Demand of less than 500 kW, and Oilfield service:

- (i) the rates contained in Schedule G, Tables 1 and 2, will be used to calculate the charge or refund to the Customer. The charge or contribution refund will be the rate (\$/kW) in the cell corresponding to the year in which the change is requested and the year in which the original contract was signed, multiplied by the reduction or increase in kW of DCD.

Note: For contracts originally signed prior to 1987, the tables provide rates for contracts of all demand levels (i.e. for less than and greater than 500 kW).

(d) For large general service Customers with a Distribution contract Demand exceeding 500 kW:

- (i) the cost or contribution refund amount will be calculated as the present value of the difference between the levelized annuity which pays back the original investment, and the levelized annuity which pays back the new investment, over the remaining assumed life of the asset.

The following formula is used to determine the charge per kW of change in the Distribution Contract Demand:

$$a = I/kW * \left[\sum_{n=1}^y \frac{1}{(1+i)^n} \right] * \left[\frac{i(1+i)^x}{(1+i)^x - 1} \right]$$

where:

I/kW = the investment amount per kW in effect at the time of the original contract. The historical investment levels are provided in Schedule G, Table 3.

i = the discount rate at the time of the original contract, which is the weighted average costs of capital (WACC) as published in past Board decisions. The values are provided in Schedule G, Table 4.

x = the assumed life of the facilities. Contracts for Price Schedule 31 use a 25-year life, and contracts for service on Price Schedule 41 use a 15-year life.

y = the remaining assumed life of the facility at the time of the buydown/contribution refund.

The cost or contribution refund = $a * (\Delta \text{DCD})$

where:

(ΔDCD) = change in contract demand (kW)

The contribution refund is payable only if the Customer increases the contracted load within the initial contract term.

13.2 Transmission Contract Demand (TCD)

Upon the request of a Customer, the Company will change the level of the Customer's Transmission Contract Demand subject to the following:

- (a) the Customer shall pay any applicable transmission related costs as a result of changes to the Transmission Contract Demand, and
- (b) any amount charged to the Company by the TA as a direct result of the Customer's reduction to the Transmission Contract Demand.

A Customer who chooses to increase the level of its Transmission Contract Demand will receive any credits the Company receives from the TA, if any, as a direct result of the increase in the Customer's Transmission Contract Demand.

ARTICLE 14 – SERVICE DISCONNECTS AND RECONNECT

14.1 Disconnection and Idle Service

14.1.1 Temporary Disconnection

Upon the request of the Customer, the Company shall temporarily disconnect any Service Connection provided:

- (a) The Customer agrees to pay the idle service charge as determined by the Customer's applicable price schedule (Option F).
- (b) The Customer agrees to pay any charges made to the Company by the TA that will not be recovered as a direct result of the Customer's idle service.
- (c) Upon the request to restore service the Customer will be responsible for and pay any applicable charges outlined under section 14.4.
- (d) If the Service Connection remains disconnected for greater than 12 months, it will be considered permanently disconnected and administered as per 14.1.2 herein.

14.1.2 Permanent Disconnection

- (a) If the Customer requests the Service Connection to be permanently disconnected, the Customer billing for that service will be finalized. At the discretion of the Company, the facilities provided by the Company will be removed unless the Customer agrees to pay the idle service charges as determined by the Customer's applicable price schedule (Option F).

- (b) If within three (3) years of permanent disconnection the Customer requests the Service Connection be restored, the Customer must pay all the costs associated with the original disconnection, removal of the facilities and restoration of service.

14.2 Disconnection at Request of Retailer

In accordance with sub-section 7(2) of the RRR, the Retailer shall have the right to request that the Company disconnect service to a particular Customer, and Company shall comply with that request, unless such action is inconsistent with the Company's approved policies contained as specified in the Terms and Conditions for Distribution Access Service.

14.3 Disconnection by the Company

- (a) The Company has the right to disconnect electric service to the Customer in a number of circumstances, including but not limited to non-payment of the Company bills or any past due charges by the Customer; evidence of safety violations, energy theft, or fraud, by the Customer; or the Customer failing to meet its obligations under these Terms and Conditions or the Customer's Electric Service Agreement. If a Customer notifies the Company to disconnect service and is enrolled with a Retailer, the Company will complete the request and subsequently notify the Retailer.
- (b) If the disconnect is a result of a safety violation, the Company will reconnect the service when the safety problem is resolved and when the Customer has provided, or paid the Company'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.

14.4 Reconnect Service

This section applies when the Company is asked to reconnect or restore service to a Customer whose service was previously restricted by a current-limiting device or discontinued (whether at the request of the Customer or not).

Before reconnecting or restoring service, the Customer shall pay:

- (a) any amount owing to the Company including written off accounts;
- (b) a reconnection charge as defined in Schedule F;
- (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 within 12 months of disconnection, for all price schedules with the following exceptions:
 - (1) Residential (Price Schedule D11) and Small General Service (Price Schedule D21 and D22) service within cities, towns, villages, hamlets, Indian reserves and Metis settlements.
 - (2) Private lighting (Price Schedule D63) service.
 - (3) Irrigation (Price Schedules D25 and D26) service.

14.5 Removal of Facilities

Upon termination of service, the Company shall be entitled to remove any of its facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose.

ARTICLE 15 – CONTRACT EXIT PROVISIONS

A Customer's Electric Service Agreement remains in effect, subject to the right of either party to terminate such agreement upon thirty (30) days written prior notice being given to the other party.

Upon receipt of such notice, the Company shall read the Customer's meter within a reasonable time, and, shall use all reasonable efforts to read the Customer's meter at the time requested by the Customer. A Customer shall pay for all service provided up to the time of such reading.

15.1 Distribution Related Exit Costs

When a Customer no longer requires service from the Company, and it is within the Initial Term of the Electric Service Agreement, the Customer shall pay the applicable distribution related exit cost, which is defined as:

- (a) the present value of future revenue streams associated with the existing facilities being removed; less
- (b) the estimated salvage value; plus
- (c) the estimated salvage costs.

15.2 Transmission Related Exit Costs

When a Customer no longer requires service from the Company, the Customer shall pay any applicable transmission related exit costs defined as follows:

- (a) any costs charged to the Company by the TA, as a direct result of the Customer's termination of service; and
- (b) any ongoing costs that the Company incurs from the TA, that will not be recovered as a direct result of the Customer's termination of service.

SCHEDULE A – STANDARD SUPPLY SPECIFICATIONS

The Company'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 Company 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 Company.

1.0 Residential:**(a) 240/120 V – single phase, three wire**

- i) overhead secondary conductors are supplied by the Company
- ii) for services 100 amps or less, underground conductors are supplied by the Company
- iii) for services greater than 100 amps underground conductors are supplied by the Customer

2.0 Farm:**(a) 240/120 V – single phase, three wire**

overhead 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

3.0 General Service:**(a) 240/120 V – single-phase, three wire**

- i) overhead secondary conductors are supplied by the Company
- 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 Company 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 Company for loads up to 150kV.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 wire

- i) overhead secondary conductors are supplied by the Company 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

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

- i) overhead secondary conductors are supplied by the Company
- 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 Company 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 Company for loads up to 150kV.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 wire

- i) overhead secondary conductors are supplied by the Company 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

SCHEDULE B – AVAILABLE COMPANY INVESTMENT

1.0 Subject to the provisions of paragraph 2 and 3 of this Schedule B, the maximum Distribution Capital Cost which the Company will incur to extend service to a Point of Service, herein referred to as the "available company investment" will be determined as follows:

(a) Residential Service (Price Schedule D11):

\$810 per single family dwelling based on an estimated service life of 30 years;

(b) Small General Service (Price Schedule D21 and D22):

\$290 per kilowatt of Distribution Contract Demand, which shall not be less than five kilowatts, provided that if the estimated life is less than 25 years, then the Available Company Investment will be determined in the manner described in paragraph 2;

(c) Irrigation Pumping (Price Schedule D25):

\$70 per kilowatt of Distribution Contract Demand, which shall not be less than five kilowatts, provided that if the estimated service life is less than 30 years, then the Available Company Investment will be determined in the manner described in paragraph 2;

(d) Large General Service/Industrial Price Schedules D31 and D32 with contractual billing demands less than 500 Kilowatts:

The Available Company Investment level will vary depending on the level of risk in the new extension which is determined by the length of contract the Customer is willing to commit to:

Investment Level	Contractual Period
\$40/kW	1 year
\$80/kW	2 years
\$110/kW	3 years
\$140/kW	4 years
\$335/kW	5 years

The estimated service life of an extension served under this Price Schedule is 25 years.

The investment will be based on the Distribution Contract Demand, which shall not be less than 50 kilowatts. If the load characteristics of the new service are expected to vary significantly from the norm, then the Available Company Investment will be calculated in accordance with paragraph 2;

(e) Large General Service/Industrial (Price Schedules D31 and D32 with contractual billing demands greater than 500 kilowatts):

The estimated service life of an extension served under this Price Schedule is 25 years.

The first 500 kilowatts of contract demand will be calculated as per 1(d) above. For Initial Term of five years, the Company will invest \$215 per kilowatt of Distribution Contract Demand greater than 500 kilowatts. If the Initial Term is shorter than five years, the \$215 per kilowatt investment will be prorated as per the table in 1(d) above. If the load characteristics of the new service are expected to vary significantly from the norm, the maximum company investment will be calculated individually for each new extension in accordance with paragraph 2;

(f) Oilfield and Pumping Power Service (Price Schedule D41):

The Available Company Investment level will vary depending on the level of risk in the new extension which is determined by the length of contract the Customer is willing to commit to:

Investment Level	Contractual Period
\$80/kW	1 year
\$150/kW	2 years
\$210/kW	3 years
\$260/kW	4 years
\$565/kW	5 years

The estimated service life of an extension served under this Price Schedule is 15 years.

The investment will be based on the Distribution Contract Demand, which shall not be less than four (4.0) kilowatts. If the load characteristics of the new service are expected to vary significantly from the norm, then the Available Company Investment will be calculated in accordance with paragraph 2;

(g) Farm Service (Price Schedule D56):

\$325 per kilovoltamperes of Distribution Contract Demand, which shall not be less than three kilovoltamperes, provided, that if the estimated service life is less than 30 years, then the Available Company Investment will be determined in the manner described in paragraph 2;

(h) Standard Street Lighting (Price Schedules D61 B – Investment Option):

\$1,020 per standard lighting fixture installed by the company and taking service under price schedules D61 (B), provided that if the service life is less than 25 years, then the Available Company Investment will be calculated in accordance with paragraph 2.

For residential or commercial subdivision street lighting, investment will be available only to municipal corporations, and only after the lighting is connected and taking service in the account of the municipal corporation.

(i) **Standard Street Lighting (Price Schedule D61 C – Distribution Investment Option):**

\$255 per standard lighting fixture installed by the company and taking services under price schedules D61 (C), provided that if the service life is less than 25 years, then the Available Company Investment will be calculated in accordance with paragraph 2.

For residential or commercial subdivision street lighting, investment will be available only to municipal corporations, and only after the lighting is connected and taking service in the account of the municipal corporation.

(j) **Standard Private Lighting Service (Price Schedule D63 A - Investment Option):**

\$1020 per standard lighting fixture installed by the company and taking service under price schedules D63 (A), provided that if the service life is less than 25 years, then the Available Company Investment will be calculated in accordance with paragraph 2.

(k) **Standard Private Lighting Service (Price Schedule D63 E – Distribution Investment Option):**

\$255 per standard lighting fixture installed by the company and taking services under price schedules D63 (E), provided that if the service life is less than 25 years, then the Available Company Investment will be calculated in accordance with paragraph 2.

2.0 In circumstances where the life, revenue or load characteristics of an extension are expected to substantially deviate from the norm, the Company will calculate the

Available Company Investment based on the expected operating characteristics and length of service for the extension of service in question.

- 3.0** When a service upgrade or extension is required by a Customer to allow a conversion to electric power and the cost of the service upgrade or extension is less than the Available Company Investment available as determined by paragraphs 1 or 2, then a discretionary expenditure potential exists.

At the Company's discretion, a portion of the difference between the cost of the upgrade or extension and the Available Company Investment may be credited to the Customer subject to all of the following conditions:

- (a) the Customer signs a new (5) year electric supply contract at the demand level commensurate with the maximum investment;
- (b) the Company is satisfied that the fuel conversion would not have been economically viable for the Customer with any smaller credit;
- (c) the Company is satisfied that under prevailing system conditions the additional electric load will result in lower overall unit supply costs for all of the Company's Customers; and

4.0 Reduction in Available Company Investment Level

The Company has the right to withhold the Available Company Investment from a Customer. If the Company withholds the Available Company Investment from a Customer, the Company will send the Customer a written explanation outlining:

- (a) the reasons for withholding the investment; and
- (b) the Customer's right to appeal the Company's decision to the Board.

A copy of the same written explanation will be sent to the Board.

SCHEDULE C – CONDITIONS OF UNDERGROUND SERVICE

The Company shall extend service by underground conductor lines upon and subject to the following terms and conditions.

- (a) No service is then available in the area to be served by such extension, and not less than 25 single family dwellings (or such lesser number as may be agreed to by the Company) will be connected to such extension (the “underground service area”), each of which is situated upon a parcel of land where other single family dwellings in the underground service area are situated.
- (b) All permanent service in the underground service area shall be provided exclusively through underground conductor lines;
- (c) The Developer shall provide, without cost to the Company, such rights-of-way, easements, utility corridors and transformer locations as the Company may require for the installation, operation and maintenance of such extension, which the developer shall keep free and clear of any buildings, structures, fences, pavement, trees or any other obstructions which may hinder the Company in installing, maintaining or removing its facilities;
- (d) The Company shall not be obligated to install such extension until it is reasonably satisfied that the extension will not thereafter be damaged or interfered with, and, in any event, any costs incurred by the Company in relation to the relocation, reinstallation or as a result of damage to such extension shall be paid by the Developer;
- (e) Service, for purposes other than residential use and street lighting, may be provided from such extension only with the consent of the Company;
- (f) In relation to the underground service, the developer shall provide a meter socket and service conductor protection from sixty centimeters below grade level to the

line side of the meter socket and will ensure installation of a service having a 100 ampere capacity;

- (g) The Developer shall provide to the Company a certified copy of the registered plan for subdivision and final construction plans showing the location of sidewalks, curbs and gutter, and underground utilities together with such evidence as the Company may reasonably require to the effect that all the rules and regulations applicable to the development have been or will be complied with by the Developer.
- (h) Survey stakes indicating grades and property lines shall be installed and maintained by the Developer;
- (i) The surface of the ground for a distance of not less than one point five (1.5) meters on each side of the alignments for the underground conductor lines shall be graded by the Developer within eight (8) centimeters of a final grade;
- (j) Unless otherwise agreed to by the Company, the Developer shall provide a survey for the location of transformers, street light bases and cable routing, as required; and
- (k) Sidewalks, curbs and gutters may be constructed by the Developer but no other permanent improvements shall be made until approved by the Company.

In addition, the service shall be subject to such other conditions as may be specified by the Company from time to time.

SCHEDULE D – ELECTRIC SERVICE AGREEMENT

MEMORANDUM OF AGREEMENT made the (day) of (month), (year)

BETWEEN: **(CUSTOMER NAME)**

(address)

(hereinafter called the "Customer")

- and -

ATCO ELECTRIC LTD., a body corporate with its Head Office in the City of Edmonton in the Province of Alberta ("ATCO Electric" or "Company")

WHEREAS the Customer has requested the Company to provide the Customer with electrical service at a location known as:

(Location of Customer Load)

1. The Customer and the Company agree as follows:

- i. Initial Term: _____
- ii. Customer Contribution (plus applicable GST): _____
- iii. Allowable Maximum Demand: _____
- iv. Minimum Contract Demand:
 - Distribution Contract Demand _____
 - Transmission Contract Demand _____
- v. Minimum Contract Charge (Idle Charge) _____
- vi. Applicable Price Schedule (s) _____
- vii. Special Charges (Facilities Charge, etc.) _____
- viii. Special Arrangements _____
- ix. Service Configuration _____

2. This Electric Service Agreement is subject to the ATCO Electric Ltd. – Terms and Conditions for Distribution Service Connections ("Terms and Conditions"), as amended from time to time, which are approved by the Alberta Energy and Utilities Board ("EUB").

3. The service provided hereunder is provided for the Customer's use only at the said location and the Customer shall not permit any other person to use such service.
4. The Customer acknowledges that it has reviewed and understands these Terms and Conditions and agrees to be bound by them in all transactions with ATCO Electric.
5. The Customer shall enter into a Customer Use Agreement in the form required by the Company prior to obtaining access to any of the Company's Customer information using a secure web site provided by the Company.
6. No person, whether an employee or agent of ATCO Electric or otherwise, can agree to change, alter, vary or waive any provision of the Terms and Conditions without the express approval of the EUB.
7. The Customer acknowledges that it has been offered a copy of ATCO Electric's Customer Guide to New Extensions and is aware of the policies and business practices of the Company detailed therein.
8. This Electric Service Agreement shall be effective on the date service is first made available, and thereafter shall remain in effect until terminated by either party in accordance with Article 15, as applicable, of the Terms and Conditions.
9. This Electric Service Agreement is subject to all applicable legislation, including the *Electric Utilities Act* and the Regulations made thereunder, and all applicable orders, rulings, regulations and decisions of the EUB or any other regulatory authority having jurisdiction over the Company or the matters addressed herein.
10. This Electric Service Agreement shall enure to the benefit of and be binding and enforceable by the parties hereto and their respective executors, administrators, successors and, where permitted, assigns.

T5J 2V6

Contact Name: Vice President, Commercial

Alternate Contact Name: Manager, Industrial Sales

Telephone No.: (780) 420-7076

Alternate: (780) 420-7092

Telecopier No.: (780) 420-7222

Alternate: (780) 420-7222

Customer Name

(address)

Contact Name:

Alternate Contact name:

Telephone No.:

Alternate:

Telecopier No.:

Alternate:

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day first above mentioned.

[CUSTOMER NAME]

ATCO ELECTRIC LTD.

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

SCHEDULE E - BACKOUT ELECTRIC SERVICE AGREEMENT

THIS AGREEMENT made as of the ---- day of -----, A.D. 200- (hereinafter referred to as the "Effective Date")

BETWEEN **{Name of Customer}**
{Address of Customer}
{-----} (hereinafter called the "Customer")

-and-

ATCO ELECTRIC LIMITED, a corporation incorporated pursuant to the laws of Canada with offices at the City of Edmonton in the Province of Alberta (hereinafter called the "Corporation")

WHEREAS the parties intend to enter into an Electric Service Agreement to provide for a Service Connection to the Customer's Point of Service known as ----- located at **LSD** ----- in the Province of Alberta (hereinafter referred to as the "Project"); and

WHEREAS for the purposes of this agreement, "Service Connection" shall mean the facilities required to physically connect the Customer's facilities to the Company's distribution system to permit the Customer to buy energy from a Retailer, or from the Company if eligible;

WHEREAS for the purposes of this agreement, "Point of Service" shall mean the point at which the Company's service conductors are connected to the conductors or apparatus of a Customer;

WHEREAS the parties acknowledge that the Corporation will incur costs and expenses in connection with the Project prior to the execution of the Electric Service Agreement; and

WHEREAS the parties wish to set out their agreement regarding reimbursement of these costs and expenses incurred by the Corporation in connection with the Project.

NOW THEREFORE the Customer and the Corporation agree as follows:

1. In accordance with the Corporation's proposal of ----- 200-, attached hereto as Appendix A, the Customer agrees to enter into an agreement with the Corporation for the provision of a Service Connection to the Project (herein referred to as the "Electric Service Agreement"). Subject to the provisions of this Agreement, the aforementioned Service Connection shall be provided by ----- (hereinafter called the "Full Service Date").
2. This Agreement shall be in effect from the Effective Date until the execution of the Electric Service Agreement, whereupon this Agreement shall terminate and shall be of no further force or effect.
3. Upon execution of this Agreement by both parties, the Corporation shall proceed with such activities, including, engineering, procurement of materials and construction of the facilities as it believes necessary to provide a Service Connection to the Project by the Full Service Date (hereinafter called the "Work").
4. If the Corporation determines that it is unable to complete the Work by the Full Service Date it shall so notify the Customer of the deferment and initiate any action necessary to complete the Work as soon as is reasonably possible thereafter.
5. This Agreement may be terminated by the Corporation and the Corporation may thereupon terminate the Work and demand payment in accordance with paragraph 6 hereof:
 - (a) if the Customer is in breach of any obligation hereunder and the Customer has not commenced to diligently remedy such breach within ten (10) days of the Corporation giving the Customer written notice specifying the default;
 - (b) if the Customer requires the Full Service Date to be deferred to a date which in the opinion of the Corporation would result in the Electric Service Agreement not being economically or commercially reasonable, provided that the Corporation has given the Customer written notice of the Corporation's intent

- and within seven (7) days thereafter the Customer has not withdrawn its deferral requirement by written notice to the Corporation;
- (c) if the Customer is unwilling or unable to execute, or to close or complete all transactions contemplated in the Electric Service Agreement, in circumstances where the Corporation is willing and able to close or complete such transaction; or
 - (d) if the Customer no longer requires or desires the Work to be continued or the Project to be provided a Service Connection.
6. In the event the Corporation exercises its right to terminate the Work in accordance with Paragraph 5 hereof, the Customer shall, upon receipt of an invoice therefor, pay the aggregate of all costs and expenses incurred by the Corporation related to the Work and all costs incurred by the Corporation in connection with the termination thereof including, without duplication, but not limited to:
- (a) the cost of all equipment and material, inclusive of any deposit, restocking and cancellation charges;
 - (b) the amount payable to any contractor for the supply of labour and miscellaneous materials;
 - (c) the cost of engineering, studies, surveying and drafting;
 - (d) the fees of any consultant or professional retained by the Corporation;
 - (e) the costs incurred in the process of obtaining easements, right-of-way and regulatory approvals;
 - (f) the expense of wages and benefits for services performed by the Corporation's employees;
 - (g) the carrying charges; and
 - (h) the costs incurred to salvage equipment and materials (net of any credit to the Company for reusable equipment and material), and the reclamation of any property used by the Corporation.
7. The Corporation's estimate of the costs and expenses to be incurred by it in connection with the Work and to be reimbursed pursuant to Paragraph 6 hereof are set forth below on a monthly basis as follows:

Cumulative Costs to Month End

<u>Month Ended</u>	<u>Year</u>	<u>Costs and Expenses to be Reimbursed</u>	<u>Month Ended</u>	<u>Year</u>	<u>Costs and Expenses to be Reimbursed</u>
XXXXXX	200X	\$XXXXXXXX.XX	XXXX	200X	\$XXXXXXXX.XX
XXXXXX	200X	\$XXXXXXXX.XX	XXXX	200X	\$XXXXXXXX.XX
XXXXXX	200X	\$XXXXXXXX.XX	XXXX	200X	\$XXXXXXXX.XX
XXXXXX	200X	\$XXXXXXXX.XX	XXXX	200X	\$XXXXXXXX.XX
XXXXXX	200X	\$XXXXXXXX.XX	XXXX	200X	\$XXXXXXXX.XX
XXXXXX	200X	\$XXXXXXXX.XX	XXXX	200X	\$XXXXXXXX.XX

The parties acknowledge and agree that the costs and expenses set out in this Paragraph 7 above are calculated by the Corporation on a best efforts basis and the actual costs and expenses pursuant to Paragraph 6 (a) to (f) may be less than or may exceed such estimates, but shall not exceed such estimates by more than 20%. The parties further acknowledge and agree that such estimates do not include the cost and expenses which may be incurred by the Corporation pursuant to Paragraph 6 (g) and (h) inclusive hereof and payable by the Customer upon terminating the Work pursuant to Paragraph 5 hereof.

- 8. Upon termination of the Agreement in accordance with Paragraph 5, the Corporation shall use reasonable efforts to minimize the carrying charges and other amounts payable by the Customer by canceling orders for, or returning to the supplier any equipment and material when permitted by a supplier, or by paying cancellation charges for the equipment and material that is reasonable. The Corporation shall exclude any costs which can be reasonably avoided, mitigated or allocated to other work conducted by the Corporation provided it is commercially practicable and permissible to do so.
- 9. Any payment required to be made by the Customer to the Corporation hereunder shall be made in accordance with an invoice prepared by the Corporation on account of such payment and provided to the Customer.
- 10. All notices required hereunder shall be in writing and may be given personally, by facsimile or prepaid registered mail addressed to the party for which the notice is intended to its address designated hereunder or to such other address as may be substituted therefor from time to time.

The Customer's address for notice is:

The Corporation's address for notice is:



{ The Customer's Name }
{ Customer's Address }
{-----}
{-----}

ATCO Electric Limited
10035 - 105 Street
P.O. Box 2426
Edmonton, Alberta, T5J 2V6

Attention: {Title of recipient}
Facsimile: {(-----) -----}

Attention: Sales Manager
Facsimile: (403) 420-7222

This Agreement shall be governed by the laws of the Province of Alberta.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

{-----Customer's Name-----}

ATCO ELECTRIC LIMITED

Per: _____

Per: _____

Name and Title

Name and Title

SCHEDULE F – NON-DISCRETIONARY SERVICE CHARGES**1.0 APPLICABILITY**

Applicable to every Customer within the Company'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 (for Customers served under the Regulated Rate Tariff)

- (1) Connection of electric service to any premises during the Company's regular business hours:

\$10.00

- (2) Connection of electric service to any premises after the Company's regular business hours, if requested by the Customer:

***\$ Company's actual costs
(\$10.00 minimum)***

(b) CONNECTION FEE (for Customers not served under the Regulated Rate Tariff)

- (1) Connection of electric service to any premises to new Customers connecting to the existing service location during the Company's regular business hours:

\$10.00

- (2) Connection of electric service to any premises to new Customers connecting to the existing service location after the Company's regular business hours, if requested by the Customer:

***\$ Company's actual costs
(\$10.00 minimum)***

(c) RECONNECTION AND DISCONNECTION OF SERVICE

- (1) Reconnection of electric service to any premises during the Company's regular business hours:

\$45.00

- (2) Reconnection of electric service to any premises after the Company's regular business hours, if requested by the Customer:

**\$ Company's actual costs
(\$45.00 minimum)**

- (3) Disconnection of electric service to any premises after the Company's regular business hours, if requested by the Customer:

**\$ Company'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 Company's normal business hours:

\$45.00 per read per meter

- (ii) Meter read to any premises after the Company's normal business hours:

**\$ Company's actual costs
(\$45.00 minimum)**

(f) METER DISPUTES

Review of meter disputes, which includes a meter test, in circumstances where the Company has not been responsible for any error:

<i>Self Contained Metering</i>	<i>\$50.00 per evaluation</i>
<i>Instrument Transformer Metering</i>	<i>\$200.00 per evaluation</i>

(g) CUSTOMER USAGE INFORMATION ^{2/}

Interval meter usage data:

<i>Monthly meter usage data</i>	<i>\$200.00 per request per meter</i>
<i>Hi Low Usage Report by day</i>	<i>\$120.00 per request per meter</i>

(h) DISTRIBUTION CONNECTED GENERATORS

Application fee:

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

(i) LATE PAYMENT CHARGE

1% per month (12.68% per annum)
(application as set out in section 11.4)

(j) RETURNED CHEQUE FEE

\$20.00

^{1/} **Standard Company Meter Reads:**

Interval meters.....	Daily
Conventional meters (AMR and non AMR type)....	Residential and Non Residential - Monthly or Bi-monthly Company Farm and REA - Once per year

^{2/} **Standard Usage Request**

Interval meters.....	12 months of 15 minute interval data once per year per meter
Conventional meters.....	12 months of data once per year per meter

SCHEDULE G - DISTRIBUTION CONTRACT BUYDOWN COSTS AND CONTRIBUTION REFUND CREDITS

Table 1:

Charges/Refunds Applicable to Price Schedule D31 Distribution Contract Demand Changes:

Buydown Year	Original Contract Year							
	All kW Levels	All kW Levels	All kW Levels	All kW Levels	All kW Levels	All kW Levels	All kW Levels	All kW Levels
	1978	1979	1980	1981	1982	1983	1984	1985
2001	\$32 /kW	\$48 /kW	\$53 /kW	\$71 /kW	\$83 /kW	\$83 /kW	\$86 /kW	\$88 /kW
2002	\$17 /kW	\$34 /kW	\$43 /kW	\$62 /kW	\$75 /kW	\$77 /kW	\$81 /kW	\$84 /kW
2003	\$0 /kW	\$19 /kW	\$31 /kW	\$51 /kW	\$66 /kW	\$69 /kW	\$75 /kW	\$78 /kW
2004		\$0 /kW	\$17 /kW	\$37 /kW	\$55 /kW	\$60 /kW	\$67 /kW	\$72 /kW
2005			\$0 /kW	\$21 /kW	\$41 /kW	\$49 /kW	\$58 /kW	\$65 /kW
2006				\$0 /kW	\$23 /kW	\$36 /kW	\$48 /kW	\$56 /kW
2007					\$0 /kW	\$21 /kW	\$35 /kW	\$45 /kW
2008						\$0 /kW	\$19 /kW	\$33 /kW
2009							\$0 /kW	\$18 /kW
2010								\$0 /kW

Buydown Year	Original Contract Year							
	All kW Levels	up to 1,999 kW	up to 1,999 kW	up to 1,999 kW	up to 1,999 kW	up to 500 kW	up to 500 kW	up to 500 kW
	1986	1987	1988	1989	1990	1991	1992	1993
2001	\$89 /kW	\$75 /kW	\$77 /kW	\$79 /kW	\$81 /kW	\$392 /kW	\$397 /kW	\$393 /kW
2002	\$85 /kW	\$72 /kW	\$75 /kW	\$77 /kW	\$79 /kW	\$384 /kW	\$390 /kW	\$386 /kW
2003	\$80 /kW	\$69 /kW	\$72 /kW	\$74 /kW	\$77 /kW	\$375 /kW	\$382 /kW	\$377 /kW
2004	\$75 /kW	\$65 /kW	\$69 /kW	\$71 /kW	\$75 /kW	\$365 /kW	\$373 /kW	\$368 /kW
2005	\$68 /kW	\$61 /kW	\$65 /kW	\$68 /kW	\$72 /kW	\$353 /kW	\$362 /kW	\$357 /kW
2006	\$61 /kW	\$56 /kW	\$60 /kW	\$64 /kW	\$68 /kW	\$339 /kW	\$350 /kW	\$345 /kW
2007	\$52 /kW	\$50 /kW	\$55 /kW	\$59 /kW	\$65 /kW	\$323 /kW	\$336 /kW	\$331 /kW
2008	\$42 /kW	\$43 /kW	\$49 /kW	\$54 /kW	\$60 /kW	\$304 /kW	\$320 /kW	\$316 /kW
2009	\$30 /kW	\$34 /kW	\$42 /kW	\$48 /kW	\$55 /kW	\$282 /kW	\$301 /kW	\$298 /kW
2010	\$16 /kW	\$25 /kW	\$34 /kW	\$41 /kW	\$49 /kW	\$257 /kW	\$279 /kW	\$279 /kW
2011	\$0 /kW	\$13 /kW	\$24 /kW	\$33 /kW	\$42 /kW	\$228 /kW	\$254 /kW	\$257 /kW
2012		\$0 /kW	\$13 /kW	\$24 /kW	\$34 /kW	\$195 /kW	\$225 /kW	\$232 /kW
2013			\$0 /kW	\$13 /kW	\$24 /kW	\$156 /kW	\$192 /kW	\$204 /kW
2014				\$0 /kW	\$13 /kW	\$112 /kW	\$154 /kW	\$172 /kW
2015					\$0 /kW	\$60 /kW	\$110 /kW	\$136 /kW
2016						\$0 /kW	\$59 /kW	\$96 /kW
2017							\$0 /kW	\$51 /kW
2018								\$0 /kW

Charges/Refunds Applicable to Price Schedule D31 Distribution Contract Demand Changes:

Buydown Year	Original Contract Year							
	up to 500 kW	up to 500 kW	up to 500 kW	up to 500 kW	up to 500 kW	up to 500 kW	up to 500 kW	up to 500 kW
	1994	1995	1996	1997	1998	1999	2000	2001
2001	\$290 /kW	\$295 /kW	\$312 /kW	\$315 /kW	\$317 /kW	\$320 /kW	\$323 /kW	\$325 /kW
2002	\$285 /kW	\$291 /kW	\$309 /kW	\$312 /kW	\$314 /kW	\$317 /kW	\$320 /kW	\$323 /kW
2003	\$280 /kW	\$287 /kW	\$304 /kW	\$308 /kW	\$311 /kW	\$314 /kW	\$317 /kW	\$320 /kW
2004	\$274 /kW	\$282 /kW	\$300 /kW	\$304 /kW	\$307 /kW	\$311 /kW	\$314 /kW	\$318 /kW
2005	\$268 /kW	\$276 /kW	\$294 /kW	\$299 /kW	\$302 /kW	\$307 /kW	\$310 /kW	\$315 /kW
2006	\$260 /kW	\$270 /kW	\$288 /kW	\$293 /kW	\$297 /kW	\$302 /kW	\$306 /kW	\$311 /kW
2007	\$252 /kW	\$263 /kW	\$281 /kW	\$287 /kW	\$291 /kW	\$297 /kW	\$301 /kW	\$307 /kW
2008	\$242 /kW	\$254 /kW	\$273 /kW	\$280 /kW	\$285 /kW	\$291 /kW	\$296 /kW	\$303 /kW
2009	\$231 /kW	\$245 /kW	\$265 /kW	\$272 /kW	\$278 /kW	\$285 /kW	\$290 /kW	\$298 /kW
2010	\$219 /kW	\$234 /kW	\$255 /kW	\$263 /kW	\$269 /kW	\$278 /kW	\$283 /kW	\$292 /kW
2011	\$204 /kW	\$222 /kW	\$243 /kW	\$253 /kW	\$260 /kW	\$269 /kW	\$275 /kW	\$286 /kW
2012	\$189 /kW	\$208 /kW	\$230 /kW	\$241 /kW	\$250 /kW	\$260 /kW	\$267 /kW	\$278 /kW
2013	\$171 /kW	\$192 /kW	\$216 /kW	\$228 /kW	\$238 /kW	\$250 /kW	\$258 /kW	\$270 /kW
2014	\$150 /kW	\$174 /kW	\$199 /kW	\$214 /kW	\$225 /kW	\$238 /kW	\$247 /kW	\$261 /kW
2015	\$127 /kW	\$154 /kW	\$180 /kW	\$197 /kW	\$210 /kW	\$225 /kW	\$235 /kW	\$251 /kW
2016	\$101 /kW	\$130 /kW	\$159 /kW	\$178 /kW	\$193 /kW	\$210 /kW	\$222 /kW	\$239 /kW
2017	\$71 /kW	\$104 /kW	\$134 /kW	\$157 /kW	\$175 /kW	\$193 /kW	\$207 /kW	\$226 /kW
2018	\$38 /kW	\$74 /kW	\$107 /kW	\$133 /kW	\$153 /kW	\$175 /kW	\$190 /kW	\$211 /kW
2019	\$0 /kW	\$39 /kW	\$76 /kW	\$105 /kW	\$129 /kW	\$153 /kW	\$172 /kW	\$195 /kW
2020		\$0 /kW	\$40 /kW	\$75 /kW	\$103 /kW	\$129 /kW	\$151 /kW	\$176 /kW
2021			\$0 /kW	\$40 /kW	\$72 /kW	\$103 /kW	\$127 /kW	\$155 /kW
2022				\$0 /kW	\$38 /kW	\$72 /kW	\$100 /kW	\$131 /kW
2023					\$0 /kW	\$38 /kW	\$71 /kW	\$104 /kW
2024						\$0 /kW	\$37 /kW	\$73 /kW
2025							\$0 /kW	\$39 /kW
2026								\$0 /kW

Table 2:

Charges/Refunds Applicable to Price Schedule D41 Distribution Contract Demand Changes:

Buydown Year	Original Contract Year							
	1986	1987	1988	1989	1990	1991	1992	1993
2001	\$0 /kW	\$40 /kW	\$74 /kW	\$102 /kW	\$129 /kW	\$383 /kW	\$428 /kW	\$446 /kW
2002		\$0 /kW	\$40 /kW	\$74 /kW	\$103 /kW	\$327 /kW	\$379 /kW	\$403 /kW
2003			\$0 /kW	\$39 /kW	\$74 /kW	\$261 /kW	\$323 /kW	\$355 /kW
2004				\$0 /kW	\$40 /kW	\$188 /kW	\$259 /kW	\$299 /kW
2005					\$0 /kW	\$101 /kW	\$185 /kW	\$237 /kW
2006						\$0 /kW	\$99 /kW	\$168 /kW
2007							\$0 /kW	\$88 /kW
2008								\$0 /kW

Buydown Year	Original Contract Year							
	1994	1995	1996	1997	1998	1999	2000	2001
2001	\$388 /kW	\$418 /kW	\$464 /kW	\$485 /kW	\$502 /kW	\$520 /kW	\$535 /kW	\$550 /kW
2002	\$358 /kW	\$391 /kW	\$439 /kW	\$463 /kW	\$482 /kW	\$502 /kW	\$519 /kW	\$536 /kW
2003	\$323 /kW	\$362 /kW	\$411 /kW	\$438 /kW	\$460 /kW	\$482 /kW	\$501 /kW	\$521 /kW
2004	\$285 /kW	\$328 /kW	\$380 /kW	\$409 /kW	\$434 /kW	\$460 /kW	\$480 /kW	\$503 /kW
2005	\$241 /kW	\$289 /kW	\$344 /kW	\$377 /kW	\$406 /kW	\$434 /kW	\$457 /kW	\$483 /kW
2006	\$192 /kW	\$245 /kW	\$303 /kW	\$341 /kW	\$373 /kW	\$406 /kW	\$431 /kW	\$461 /kW
2007	\$135 /kW	\$195 /kW	\$256 /kW	\$300 /kW	\$337 /kW	\$373 /kW	\$402 /kW	\$435 /kW
2008	\$72 /kW	\$138 /kW	\$204 /kW	\$254 /kW	\$296 /kW	\$337 /kW	\$370 /kW	\$407 /kW
2009	\$0 /kW	\$74 /kW	\$144 /kW	\$202 /kW	\$250 /kW	\$296 /kW	\$334 /kW	\$375 /kW
2010		\$0 /kW	\$77 /kW	\$143 /kW	\$198 /kW	\$250 /kW	\$293 /kW	\$338 /kW
2011			\$0 /kW	\$76 /kW	\$140 /kW	\$198 /kW	\$247 /kW	\$298 /kW
2012				\$0 /kW	\$74 /kW	\$140 /kW	\$195 /kW	\$251 /kW
2013					\$0 /kW	\$74 /kW	\$137 /kW	\$199 /kW
2014						\$0 /kW	\$73 /kW	\$141 /kW
2015							\$0 /kW	\$75 /kW
2016								\$0 /kW

Table 3:
Historical Investment Levels

Price Schedule D31

	First Block kW	First Block	Second Block
1977	-	\$120 /kW	\$120 /kW
1978	-	\$120 /kW	\$120 /kW
1979	-	\$120 /kW	\$120 /kW
1980	-	\$100 /kW	\$100 /kW
1981	-	\$110 /kW	\$110 /kW
1982	-	\$110 /kW	\$110 /kW
1983	-	\$110 /kW	\$110 /kW
1984	-	\$110 /kW	\$110 /kW
1985	-	\$110 /kW	\$110 /kW
1986	-	\$110 /kW	\$110 /kW
1987	1999	\$90 /kW	\$240 /kW
1988	1999	\$90 /kW	\$240 /kW
1989	1999	\$90 /kW	\$240 /kW
1990	1999	\$90 /kW	\$240 /kW
1991	500	\$430 /kW	\$220 /kW
1992	500	\$430 /kW	\$220 /kW
1993	500	\$430 /kW	\$220 /kW
1994	500	\$310 /kW	\$200 /kW
1995	500	\$310 /kW	\$200 /kW
1996	500	\$325 /kW	\$210 /kW
1997	500	\$325 /kW	\$210 /kW
1998	500	\$325 /kW	\$210 /kW
1999	500	\$325 /kW	\$210 /kW
2000	500	\$325 /kW	\$210 /kW
2001	500	\$335 /kW	\$210 /kW

Price Schedule D41

1985	\$160 /hp
1986	\$160 /hp
1987	\$190 /hp
1988	\$190 /hp
1989	\$190 /hp
1990	\$190 /hp
1991	\$490 /hp
1992	\$490 /hp
1993	\$490 /hp
1994	\$520 /kW
1995	\$520 /kW
1996	\$550 /kW
1997	\$550 /kW
1998	\$550 /kW
1999	\$550 /kW
2000	\$550 /kW
2001	\$565 /kW

Table 4:Historical Weighted Average Cost of Capital

1977	16.45%
1978	16.46%
1979	17.94%
1980	20.19%
1981	22.93%
1982	25.89%
1983	21.76%
1984	20.51%
1985	19.02%
1986	16.98%
1987	16.81%
1988	16.37%
1989	15.93%
1990	16.30%
1991	15.68%
1992	15.31%
1993	12.70%
1994	13.24%
1995	13.80%
1996	13.41%
1997	13.14%
1998	12.60%
1999	12.14%
2000	12.17%
2001	12.78%