

1 Q. **Reference: 9.**

2 With respect to the assurance that a limitation of liability is "standard industry
3 practice", is Hydro aware of any specific examples in other jurisdictions? If so,
4 please provide documentation in respect of such examples.
5
6

7 A. In addition to the examples provided in the Application with respect to Ontario and
8 Hydro's other Industrial Customers, please see attached terms and conditions from
9 Québec and British Columbia.

10 Attachment 1 - Québec - Hydro Québec - "Conditions of Electricity Service", Chapter

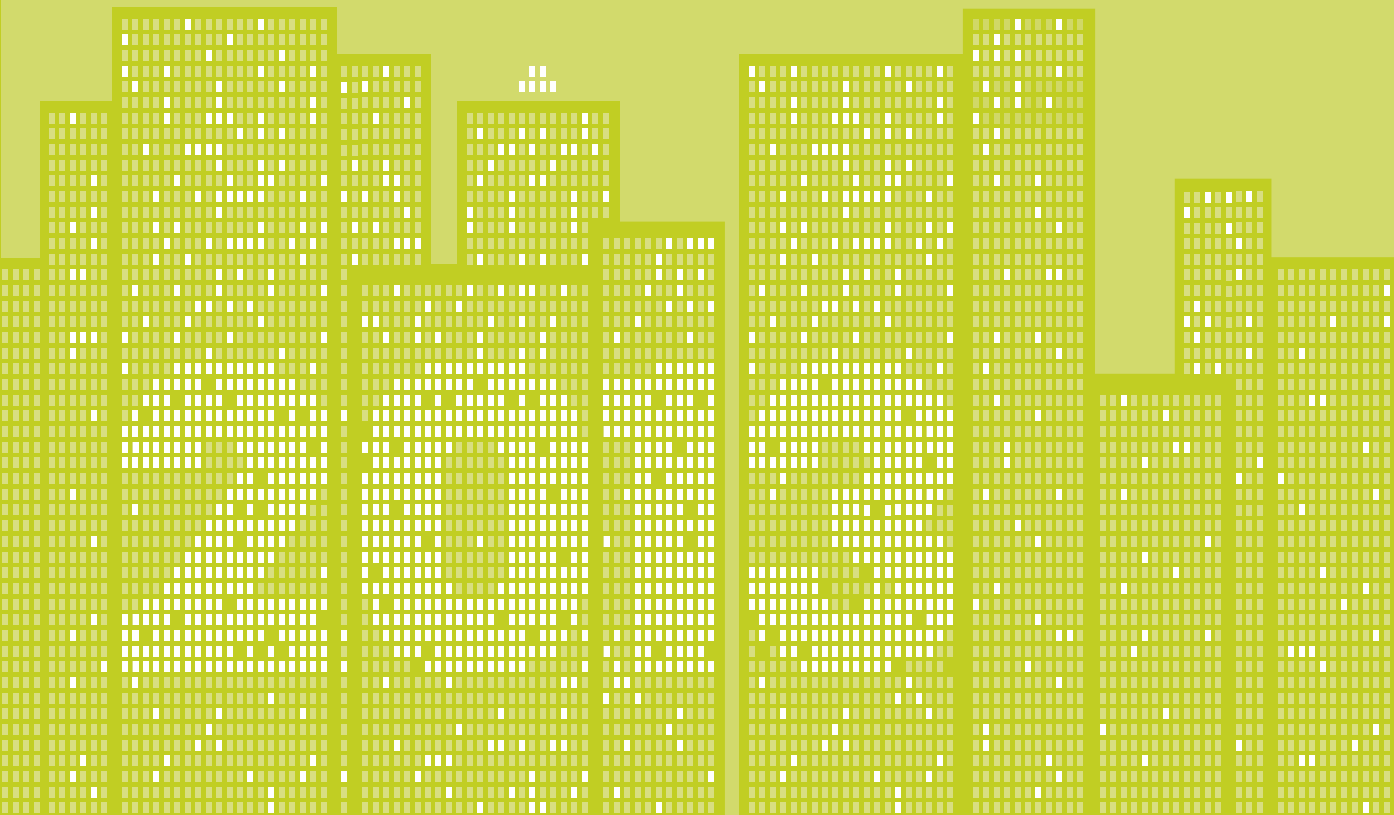
11 4. Also available at

12 [www.hydroquebec.com/publications/en/conditionselectricity/index.h](http://www.hydroquebec.com/publications/en/conditionselectricity/index.html)
13 [tml](http://www.hydroquebec.com/publications/en/conditionselectricity/index.html)

14 Attachment 2 - British Columbia - B.C. Hydro – "Tariff Supplement 5 – Electricity

15 Supply Agreement", Clause 23. Also available at

16 www.bchydro.com/about/planning_regulatory/tariff_filings.html



CONDITIONS OF ELECTRICITY SERVICE

**Conditions of Electricity Service
Effective April 1, 2013**

Approved by the Régie de l'énergie
in Decision D-2013-037

The section headings are for clarity only, and
should not be taken into account for the purposes
of interpreting the conditions of electricity service.

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GENERAL PROVISIONS

Field of application

- 1.1** The provisions contained herein establish the conditions of electricity service by Hydro-Québec. However, the provisions of chapters 14, 15, 16 and 17 of these Conditions of Service apply only to low voltage service and medium voltage service where the maximum current does not exceed 260 A at three-phase voltage.

Off-grid system

- 1.2** The provisions of these Conditions of Service do not apply to the service of electricity exceeding 1,000 kVA from an off-grid system.

CHAPTER 2

INFORMATION

Information provided to customers

- 2.1** Hydro-Québec informs its customers of these Conditions of Service.

Communication of information

- 2.2** When Hydro-Québec performs work whose cost billed to the applicant exceeds the “charge for establishing service” stipulated in the Electricity Rates for Hydro-Québec’s regular working hours, Hydro-Québec conveys the following information to him
- (1) all useful information pertaining to the timetable and nature of the work and the technical requirements applicable to work to be performed by the applicant at Hydro-Québec’s request;
 - (2) the cost of work and the charges related to electricity service that will be billed as provided in the Electricity Rates, and the terms of payment;
 - (3) the estimated cost of work whose value will, on completion of the work, be revised according to the actual cost incurred.

Promotional activities

- 2.3** The Distributor may carry out promotional activities with respect to any of the conditions set forth in chapters 5 and 11 of these Conditions of Service. Such promotional activities must be temporary and may apply to all customers or to various groups of customers so as to reducing the charges they must pay under Chapter 12 of the *Distribution Tariff*.

The Distributor shall report on such promotional activities to the Régie de l'énergie, as instructed by the Régie.

CHAPTER 3

DEFINITIONS AND INTERPRETATION

Definitions

3.1 In these Conditions of Service, the following terms and expressions have the meanings hereinafter described

“allowed amount”: amount that Hydro-Québec determines at the date of signature of a contribution agreement and grants for an extension or modification to be made to the power line, excluding the distribution service loop, further to a request for supply;

“annex”: any civil work attached to or incorporated into a building by means of a common wall, so that it constitutes a separate building designed for the installation of a distribution substation;

“applicant”: any owner or any person authorized or mandated by an owner, whether or not holding a contract, who applies for electricity service or requests that work related to such service be performed;

“available power”: the amount of power which the customer may not exceed for a given contract without the authorization of Hydro-Québec;

“base”: any structure designed to support electrical apparatus;

“building”: any structure not in contact with any other structure or, if in contact with any other structure, separated from such structure by a complete fire-resistant wall and where its openings are protected by fire-resistant doors that have been approved in accordance with *the National Building Code of Canada*, reproduced in the *Regulation respecting the application of a Building Code — 1990*, ((1993) 125 G.O. II, 5713) in force at the time;

“civil work”: all civil engineering work required to complete a project, such as the digging of trenches, the laying of ducts that are not encased in concrete and are placed directly in the ground in a trench, the construction of concrete-encased duct banks, the compacting of backfill materials and the erecting of structures;

“commercial activity”: all actions involved in the marketing or sale of products or services;

“connection point”: the point where the electrical installation is connected to Hydro-Québec’s system. When there is a distribution service loop, the connection point is the point where the customer’s service entrance and the distribution service loop meet;

“consumption period”: a period during which electricity is delivered to the customer and which extends between the two dates used by Hydro-Québec for calculation of the bill;

“contract”: an agreement entered into between a customer and Hydro-Québec for service and delivery of electricity;

“contribution agreement”: agreement signed by the applicant and Hydro-Québec including in particular a description of the work to be performed, the cost of the work and, if applicable, the allowed amount;

“customer”: an individual, body corporate, partnership or agency holding one or more contracts;

“customer’s service entrance”: part of the electrical installation of the property to be supplied, from the connection point to the service box or the customer substation;

“customer substation”: transforming station that does not belong to Hydro-Québec and that is used to supply electricity to the electrical equipment of the property to be supplied;

“delivery of electricity”: the application and maintaining of voltage at the delivery point, whether or not electricity is consumed;

“delivery point”: point at which Hydro-Québec delivers electricity and from which the customer may use such electricity, located immediately on the load side of Hydro-Québec’s metering equipment. In cases where Hydro-Québec does not install metering equipment, or where it is on the line side of the connection point, the delivery point is the connection point;

“distribution service loop”: any portion of a power line, not located along a public highway, but located between a supply point and a connection point and meeting one of the following conditions

- (1) supplies only one connection point;
- (2) supplies multiple connection points located on the same plot of land;
- (3) supplies multiple connection points located on contiguous plots of land belonging to the same individual or body corporate;

“distribution substation”: transforming station of Hydro-Québec, of which only the civil works do not belong to Hydro-Québec, erected on the property to be supplied and which supplies electricity at low voltage to a service box with a rating of more than 600 A;

“domestic rate”: a rate at which the electricity delivered for domestic use is billed under the conditions set forth in the Electricity Rates;

“domestic use”: the use of electricity exclusively for habitation in a dwelling;

“dual-energy system”: any system serving to heat water or space, or any other heating process, that uses electricity and a fuel as sources of energy;

“dwelling”: private living quarters equipped with lodging and eating facilities, including in particular a kitchen or kitchenette, along with a private entrance and a complete sanitary facility, in which the occupants have free access to all rooms. A complete sanitary facility consists of a sink, a toilet and a bath or shower;

“electrical installation”: any customer substation and any electrical equipment to which Hydro-Québec supplies or is to supply electricity, on the load side of the connection point. The electrical installation includes the customer’s service entrance;

“Electricity Rates”: “Distribution Tariff” approved by the Régie de l’énergie;

“electricity service”: the application and maintaining of voltage at the connection point at a frequency of approximately 60 hertz;

“farm”: land, buildings and equipment used to raise crops or livestock, excluding any dwelling or any facility used for commercial activity or industrial activity;

“flat-rate sale”: the sale of electricity at a fixed rate, when the consumption of energy is not metered;

“highway accessible by flatbed trailer”: any highway maintained by an individual or an organization and accessible to road vehicles and heavy vehicles, within the meaning of section 4 of the *Highway Safety Code* (R.S.Q., c. C-24.2);

“industrial activity”: all actions involved in the manufacture, assembly or processing of merchandise or food products, or the extraction of raw materials;

“metering equipment”: current transformer, voltage transformer, meter, indicator, auxiliary recording device, auxiliary control unit, terminal testing box, cabling, communication links and any other device belonging to and used by Hydro-Québec for metering electricity;

“month”: the period between a date in one calendar month and the corresponding date of the following month;

“municipal water supply or sanitary sewer system”: system owned by a municipality and supplying more than 100 properties;

“new generation meter”: a radio-frequency meter using bi-directional communication to interact with an advanced metering infrastructure to, in particular, collect, measure and analyze electricity consumption data.

“off-grid system”: a system for the generation and distribution of electricity, independent of the bulk system;

“outbuilding”: all premises appurtenant to a building;

“payment agreement”: an agreement providing for the amounts owed to be paid in accordance with terms and conditions other than those appearing in Section 11.6. A payment agreement must make provision for payment of the indebtedness and cost of anticipated consumption for the duration of the agreement;

“power”:

- (1) small power: a demand that is billed only if it exceeds 50kW;
- (2) medium power: a minimum billing demand of less than 5,000 kW;
- (3) large power: a minimum billing demand of 5,000 kW or more;

“power line”: all the supports, conductors, civil works and electrical equipments required for the distribution of electricity at medium and low voltage, up to the connection point. The power line includes the distribution service loop, if any;

“public highway”: any public highway within the meaning of section 4 of the *Highway Safety Code* (R.S.Q., c. C-24.2);

“rated current”: the electrical current indicated on the service box;

“reference offer”: proposal made to the applicant for the supply of electricity to an electrical installation, whose content is determined by Hydro-Québec;

“service box”: an assembly consisting of a metal box or cabinet constructed so that it may be locked or sealed, containing either service fuses and a service switch or a circuit breaker, and of such design that the switch or circuit breaker may be manually operated when the box is closed;

“short-term contract”: any short-term contract within the meaning of the Electricity Rates;

“steady state voltage”: effective value of the voltage evaluated over a 10-minute time integration interval;

“supply point”: point on a power line at which the distribution service loop begins. If there is no distribution service loop, the supply point is the connection point;

“technical requirement”: anything needed to make the customer’s electrical installation compatible with Hydro-Québec’s system, or any other requirement related to the installation and operation of Hydro-Québec’s system;

“temporary supply”: supply of electricity to an electrical installation whose operation in a given place is of limited duration, such as a building site, a dredging site and a traveling circus. Dwellings and trailers not installed on permanent foundations are included;

“voltage”:

- (1) low voltage: nominal phase-to-phase voltage not exceeding 750 V;
- (2) medium voltage: nominal phase-to-phase voltage of more than 750 V, but less than 44,000 V. The term 25 kV means three-phase voltage of 14.4/24.94 kV, grounded wye;
- (3) high voltage: nominal phase-to-phase voltage of 44,000 V or more;

“winter period”: the period from December 1 through March 31 of the next year.

Applicable units of measurement

3.2 For purposes of application of these Conditions of Service

- (1) rated current is expressed in amperes (A);
- (2) voltage is expressed in volts (V) or in kilovolts (kV);
- (3) power is expressed in watts (W) or in kilowatts (kW);
- (4) apparent power is expressed in voltamperes (VA), in kilovoltamperes (kVA) or in megavoltamperes (MVA);
- (5) energy is expressed in watthours (Wh) or in kilowatthours (kWh).

CHAPTER 4

LIABILITY

Limited liability of Hydro-Québec

4.1 Hydro-Québec guarantees neither the maintaining of voltage and frequency at a stable level nor the continuity of service and delivery of electricity.

Hydro-Québec may not be held liable for any material damage resulting from one or more voltage or frequency variations or losses, service interruptions carried out in compliance with these Conditions of Service or failure to deliver electricity, except in the case of intentional or gross fault.

Hydro-Québec shall not be held liable for damage resulting from a steady state supply voltage not exceeding the following limits

- (1) if the electricity is supplied at low or medium voltage: as provided in the standard specified in Section 14.1;
- (2) if the electricity is supplied at high voltage: a difference of up to 10% above or below the nominal supply voltage.

Custody of equipment

4.2 The customer acts as custodian of Hydro-Québec’s equipment installed on the property supplied, with the exception of poles and overhead conductors, except where such equipment is located in a place that is under the control of a third party.

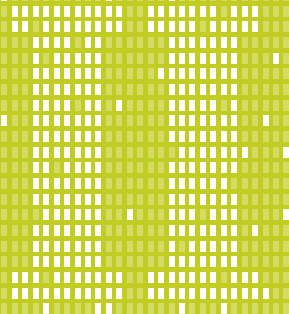
No guarantee

4.3 The following do not constitute and must not be interpreted as constituting an evaluation or a guarantee by Hydro-Québec of the functional value, efficiency or safety of the

installations supplying the customer, including the electrical installation and protective devices, nor of their compliance with any applicable legislative or regulatory provision

- (1) any contract entered into under these Conditions of Service;
- (2) any agreement entered into under these Conditions of Service;
- (3) any installation effected by Hydro-Québec;
- (4) any connection between the system and the electrical installation;
- (5) any authorization given by Hydro-Québec;
- (6) any inspection or verification effected by Hydro-Québec;
- (7) the service and delivery of electricity by Hydro-Québec.

When the customer does not use electricity in accordance with Sections 18.8 and 18.16, he is liable for any damage caused to other customers or to Hydro-Québec.



ELECTRICITY SERVICE CONTRACT

CHAPTER 6

OBLIGATIONS OF THE CUSTOMER

Responsibility for contract

6.1 The holder of a contract is a customer of Hydro-Québec and must fulfill the obligations set out in these Conditions of Service and in the Electricity Rates.

A customer of Hydro-Québec may hold one or more contracts.

Where multiple customers hold a single contract, each of them is responsible for the payment in full of the electricity bill.

Errors

6.2 The customer must notify Hydro-Québec immediately upon becoming aware of any error appearing in

- (1) the confirmation of the specifications of the customer's contract referred to in Section 5.6; or
- (2) any contract, including any modifications thereto; or
- (3) the electricity bills issued by Hydro-Québec.

The customer must also notify Hydro-Québec immediately of any change to the specifications of his contract made while the contract is in effect.

Termination of contract

6.3 The customer remains responsible to Hydro-Québec for electricity covered by the contract as long as the contract has not been terminated.

Notwithstanding Section 7.1, a contract may not be terminated where a customer owing amounts to Hydro-Québec continues to use electricity service at the same address as the one for which termination is requested.

Delivery point

6.4 Every delivery point is covered by a separate contract, except when

- (1) on February 1, 1984, the electricity delivered for a dwelling was covered by a single contract although it was metered by more than one unit of metering equipment, if this situation still prevails on April 1, 2008, as long as the customer's electrical installation is not modified;
- (2) the electricity delivered to the customer can also be delivered to a delivery point located on a backup line;
- (3) the electricity is delivered to the customer by more than one line because of the limited capacity of Hydro-Québec's power lines;
- (4) the electricity is sold at a flat rate or for purposes of public or Sentinel lighting defined in the Electricity Rates.

Modification of contract

- 6.5** A customer wishing to modify a contract must make a new request. Where the new request complies with the Conditions of Service, a new contract replaces the one in effect.

Use of electricity without contract

- 6.6** Where there is no contract, the occupant, tenant, administrator or owner of a dwelling or a building who may use or uses electricity without holding a contract is considered to have the obligations of a contractholder in accordance with Section 6.1.

This Section must not be interpreted as authorizing anyone using electricity in a given place as occupant, tenant, administrator or owner to do so without concluding a contract.

Owner's responsibility

- 6.7** Following termination of a contract by a tenant or where it is determined that premises are vacant, Hydro-Québec sends a written notice to the owner asking him to communicate his intentions regarding the maintaining of electricity service.

An owner who agrees to become the holder of a contract for a dwelling or premises left vacant is exempted from the payment of the charges stipulated in Section 5.2.

Refusal to assume responsibility for the consumption of premises left vacant is equivalent to a request for termination of delivery of electricity, which is covered by Section 6.8 once the contract in effect has been terminated in accordance with Section 7.1.

The owner must give Hydro-Québec written notice of such refusal.

An owner who fails to communicate his intentions regarding the maintaining of electricity service within seven (7) clear days from the time the notice is sent is considered to have the obligations of a contractholder in accordance with Section 6.1 once the contract in effect has been terminated in accordance with Section 7.1.

Termination of delivery

- 6.8** Notwithstanding any agreement to the contrary between the landlord and the tenant and subject to Sections 12.3 and 12.9, only the owner of a building may request the delivery or the termination of delivery of electricity. When a request is made for delivery of electricity following a termination, the owner must pay the "*charge for establishing service*" stipulated in the Electricity Rates.

If the owner is not a customer of Hydro-Québec for the building covered by the request, termination of delivery of electricity may be requested by the owner only after the contract is terminated by the tenant.

CHAPTER 7

TERM OF THE CONTRACT

Term of contract

- 7.1** The contract begins on the date stipulated for the commencement of the delivery of electricity, and where delivery begins earlier, on the effective date of the commencement of delivery.

Subject to the categories of use stipulated in Subparagraphs 1 to 4 of the third paragraph

- (1) a contract for domestic use is entered into for an initial term of at least one week and continues until either the customer or Hydro-Québec terminates it by giving at least seven (7) clear days' notice to this effect;
- (2) a contract for non-domestic use is entered into for an initial term of at least one year and continues for the term agreed upon between the customer and Hydro-Québec, or, where no such term has been agreed upon, from month to month until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect prior to the end of the term.

For the following categories of use

- (1) a short-term contract is entered into for an initial term of at least one month and continues until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect;
- (2) a contract for temporary service continues on a day-to-day basis until the customer terminates it by giving Hydro-Québec at least one clear day's notice to this effect;
- (3) a contract for complete public lighting service defined in the Electricity Rates is entered into for an initial term of at least one year and continues for the term agreed upon by the customer and Hydro-Québec or, where no such term has been agreed upon, from year to year until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect prior to the end of the term;
- (4) a contract for general public lighting service defined in the Electricity Rates is entered into for an initial term of at least one month, where the contract comprises only electricity service, and for an initial term of at least one year in other cases. It continues until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect prior to the end of the term.

CHAPTER 8 USE OF ELECTRICITY

Technical specifications of electrical installations

- 8.1** The customer provides Hydro-Québec with information respecting the use to which electricity is put and the technical specifications of the electrical installations of the property supplied, as required for the management or safety of the system. He then must notify Hydro-Québec immediately of any change in the information supplied.

Resale

- 8.2** Reselling, renting, lending, exchanging or giving away electricity supplied or delivered by Hydro-Québec is prohibited, except where an entity doing so is operating an undertaking engaged in the distribution of electricity within the meaning of the *Act respecting municipal and private electric power systems* (R.S.Q., c. S-41).

This Section may not be interpreted as prohibiting the rental of any premises or building for a rent that includes the cost of electricity.

CHAPTER 9

DEPOSITS AND GUARANTEES OF PAYMENT

Deposit – domestic use

- 9.1** For a contract for domestic use and subject to section 20 of the *Act respecting the mode of payment for electric and gas service in certain buildings* (R.S.Q., c. M-37), Hydro-Québec may require a cash deposit or a guarantee of payment from a customer who, in the 24 months preceding the request for deposit or guarantee, has availed himself of the provisions of the *Bankruptcy and Insolvency Act* (R.S.C. 1985, c. B-3) or received an overdue notice stipulated in Section 12.5 advising him of the possibility of an interruption of service.

Deposit – non-domestic use

- 9.2** For any new contract for non-domestic use, a cash deposit or a guarantee may be required, except in the following cases

- (1) a contract of a customer who does not constitute a risk following an evaluation conducted by Hydro-Québec based on generally recognized criteria, including but not limited to: number of years in business, experience of the managers, payment history, business sector;
- (2) a contract of a public agency covered by Schedule II;
- (3) a contract of a financial institution covered by Schedule II;
- (4) a contract for a building covered by the *Act respecting the mode of payment for electric and gas service in certain buildings*;
- (5) a contract relating to flat-rate sale of electricity where there is low electricity consumption, such as telephone booths and cable television equipment directly connected to Hydro-Québec's system;
- (6) a contract where a request for a modification affects only the customer's address for service;
- (7) the contract of a customer who, in the 24 months preceding the request, has paid by the due date the electricity bills for his other contracts for non-domestic use;
- (8) the contract of a customer who is an individual and who, in the 24 months preceding the request, has paid by the due date the electricity bills for his other contracts, provided there is no billing of power for the new contract.

Hydro-Québec may also require a cash deposit or a guarantee of payment from a customer who, in the 24 months preceding the date of his last bill, failed at least once to pay his electricity bill by the due date.

Any cash deposit or guarantee of payment required while a contract is in effect must be given within eight (8) clear days of the date Hydro-Québec's written request was sent.

Maximum amount of deposit

- 9.3** Any deposit or guarantee under Sections 9.1 and 9.2 may not exceed a sum equal to the highest estimated billing for power and energy, including all taxes, for two (2) consecutive months within the 12-month period following the date on which the amount of the deposit or guarantee is established.

Interest on deposit

- 9.4** Any cash deposit bears interest, for the 12 months following April 1 in a given year, at the *“rate applicable to deposits”* specified in the Electricity Rates.

Interest is calculated as at March 31 of every year and is payable prior to June 1 of that year; where the deposit is refunded, interest is calculated until the date of the refund and is payable on that date.

Use of deposit

- 9.5** Hydro-Québec applies all or part of the deposit and accrued interest or the guarantee to the balance due in the customer's overdue account in the following cases

- (1) the contract covered by the deposit or the guarantee is terminated;
- (2) the delivery of electricity is interrupted under Subparagraph 1 of the second paragraph of Section 12.3 for the contract covered by the deposit or the guarantee.

Any balance of the deposit or guarantee not used is then returned to the customer.

Refund of deposit – domestic use

- 9.6** A customer whose contract is for domestic use and who has made a cash deposit or supplied a guarantee of payment is entitled to the refund of the deposit or the return of the guarantee upon the expiry of the 24 months following the payment of the deposit or the supplying of the guarantee except where, during the said period, he failed more than once to pay his electricity bill by the due date. In such a case, the deposit or guarantee may be retained for an additional 24-month period.

Refund of deposit – non-domestic use

- 9.7** A customer whose contract is for non-domestic use and who has made a cash deposit or supplied a guarantee of payment is entitled to the refund of the deposit or the return of the guarantee upon the expiry of the retention period established by Hydro-Québec not to exceed 48 months except where, during the last 24 months, he failed at least once to pay his electricity bill by the due date. In such a case, the deposit or guarantee may be retained for an additional period established by Hydro-Québec not to exceed 48 months.

Time allowed for refund

- 9.8** For any contract, the deposit is refunded or the guarantee is returned within 60 days of expiry of the applicable time limit provided in Section 9.6 or 9.7.

Hydro-Québec refunds the deposit and accrued interest, either by crediting them to the customer's account, or by sending them to him directly, at the customer's discretion.

CHAPTER 10

METERING OF ELECTRICITY

Metering equipment supplied by Hydro-Québec

- 10.1** Electricity delivered to a customer is metered by metering equipment supplied and installed by Hydro-Québec.

Any equipment or apparatus other than Hydro-Québec's metering equipment is supplied and installed by the customer at his expense.

When electricity is metered at low voltage, the applicant must install Hydro-Québec's current transformers and connect their primary voltage winding when they must be installed in a shielded substation.

When electricity is metered at medium voltage or at high voltage, the applicant must install Hydro-Québec's voltage and current transformers and connect their primary voltage winding.

Separate metering

- 10.2** Subject to the Electricity Rates, electricity delivered is metered separately for each delivery point on the property supplied, except where

- (1) the electricity is sold at a flat rate;
- (2) the electricity service is provided for the purpose of public lighting and Sentinel lighting defined in the Electricity Rates;
- (3) on April 15, 1987, the electricity was metered by a single unit of metering equipment and that is still the case on and after April 1, 2008, although it is delivered to multiple delivery points on the property supplied, as long as the customer's service entrance is not modified.

Overall metering

- 10.3** Even where there are multiple units of metering equipment in a building, Hydro-Québec must be able to effect an overall metering of electricity delivered throughout, or in a portion of, the building, for the purpose of analysing electricity consumption.

Metering without radio-frequency emission

- 10.4** The customer can opt for a meter determined by Hydro-Québec that has no radio-frequency emission. In such a case, the customer must submit a written request to Hydro-Québec and pay the *"initial installation charge"* and the *"monthly meter reading charge"* stipulated in the Electricity Rates for each service contract. Such a request can be made at any time.

When Hydro-Québec plans to replace the meters in a given region by new generation meters, it sends the customer a written notice to that effect at least 30 days before the replacement date. If the customer submits its request within 30 days of this notice, he is eligible for the *"installation credit"* stipulated in the Electricity Rates. Besides, a customer is not required to pay the *"initial installation charge"* if a meter without radio-frequency emission installed by Hydro-Québec under the present Section is already in place at the time the request is submitted.

Hydro-Québec maintains the metering without radio-frequency thus installed on the premises until the termination of the customer's service contract. However, the customer can request that a new generation meter be installed at any time, in which case no "*monthly meter reading charge*" will apply to the current consumption period.

The present Section is subject to the following prior conditions:

- 1° the customer must take the required steps and obtain the necessary authorizations for Hydro-Québec to access the property supplied for the reasons and under the conditions set forth in Section 13.1; and
- 2° the customer's electrical installation must be single-phased and rated 200 A or less; and
- 3° in the 45 days preceding the customer's request, no interruption of service notice has been sent to the customer pursuant to subparagraphs 1 to 4 of the second paragraph of Section 12.3 for which the customer has not remedied the situation in full or entered into a payment agreement with Hydro-Québec.

If service is interrupted by Hydro-Québec pursuant to subparagraphs 1 to 4 of the second paragraph of Section 12.3 for any of the client's service contract, Hydro-Québec can proceed with the installation of a new generation meter without further notice for all delivery points. In such a case, the customer cannot submit a request under this Section within 24 months of the interruption of service. The "*initial installation charge*" will apply to any new request submitted under this Section.

CHAPTER 11 BILLING AND PAYMENT

DIVISION 1 – BILLING PROCEDURES

Meter readings

11.1 Hydro-Québec reads the meters for billing purposes at one of the following frequencies

- (1) at least once a year for installations that are distant and difficult of access;
- (2) about every 60 days and at least every 120 days, for contracts under which only electricity consumption is billed;
- (3) about every 30 days, for contracts under which power demand and electricity consumption are both billed.

Transmittal of bills

11.2 In the case of a contract under which only energy is billed, Hydro-Québec sends the customer a bill at least once every 90 days. Hydro-Québec must have access to the meter in order for the said period to apply in regard to the initial bill.

If no bill is sent within the stipulated period, Hydro-Québec will accept payment of the balance owing in two (2) consecutive instalments according to the due date stipulated in Section 11.6. Hydro-Québec may also conclude a payment agreement with the customer.

Notwithstanding Section 11.1, when Hydro-Québec is unable to read the meters, it establishes bills based on an estimate of energy consumption or of power demand and energy consumption. It makes readjustments on a subsequent bill established after a meter reading.

Hydro-Québec also establishes the initial bill and the final bill based on an estimate of energy consumption or of power demand and energy consumption. If Hydro-Québec has not read the meter at the termination date of the contract, the customer may supply his own meter reading and Hydro-Québec establishes the bill accordingly.

Time allowed for transmittal of final bill

11.3 Where only energy is billed, Hydro-Québec sends the customer a final bill within 60 days of the date the contract is terminated.

Where power and energy are billed, Hydro-Québec sends the customer a final bill within 30 days of the date the contract is terminated.

If no bill is sent within the stipulated period, Hydro-Québec will accept payment of the balance owing in two (2) consecutive instalments according to the due date stipulated in Section 11.6. Hydro-Québec may also conclude a payment agreement with the customer.

Hydro-Québec must have access to the meter and the customer must have duly notified Hydro-Québec of the termination date of his contract in order for the periods stipulated in this Section to apply.

Estimate of consumption

11.4 In cases where electricity metered by Hydro-Québec's metering equipment or billed is not the electricity actually used, or in the absence of metering equipment, Hydro-Québec establishes energy consumption and billing demand on the basis of one or more of the following elements

- (1) data from metering tests;
- (2) inventory of connected apparatus and an estimate of their average use;
- (3) values recorded during consumption periods immediately preceding or following the breakdown of metering equipment or during the same period of the preceding year;
- (4) any other means of establishing or estimating energy consumption or power demand.

In the case of an off-grid system whose electricity delivered to customers is not usually metered, Hydro-Québec may also establish the average consumption per contract within a given category of use.

Correction of billing errors

11.5 In cases where electricity billed to the customer is not the electricity actually used or where there is some error in the bill, Hydro-Québec makes the appropriate corrections as follows

- (1) For a contract for domestic use or a contract for non-domestic use under which only energy is billed
 - (a) where the correction involves applying a debit to the customer's bill, Hydro-Québec claims from the customer the amount resulting from the application of the correction for all consumption periods affected, but not exceeding six (6) months;
 - (b) where the correction involves applying a credit to the customer's bill, Hydro-Québec refunds the customer
 - (i) in the case of a failure of the metering equipment, or of a discrepancy in the billing multiplier, the amount resulting from the application of the correction for all consumption periods affected;

- (ii) in all other cases, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;
- (iii) where the period is indeterminate, it is deemed to be six (6) months.

Notwithstanding Sub-subparagraph (1) (a) above, if it is established that the customer was aware of the failure or the error and did not notify Hydro-Québec in accordance with Sections 6.2 and 8.1, Hydro-Québec claims the amount resulting from the application of the correction for all consumption periods affected.

- (2) For a contract for non-domestic use under which power and energy are billed
 - (a) where the correction involves applying a debit to the customer's bill, Hydro-Québec claims from the customer
 - (i) in the case of a failure of the metering equipment, or of a discrepancy in the billing multiplier, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;
 - (ii) in all other cases, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 12 months.

Notwithstanding Sub-subparagraphs (2) (a) above, if it is established that the customer was aware of the failure or the error and did not notify Hydro-Québec in accordance with Sections 6.2 and 8.1, Hydro-Québec claims the amount resulting from the application of the correction for all consumption periods affected.

- (b) where the correction involves applying a credit to the customer's bill, Hydro-Québec refunds the customer
 - (i) in the case of a failure of the metering equipment, or of a discrepancy in the billing multiplier, the amount resulting from the application of the correction for all consumption periods affected;
 - (ii) in all other cases, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;
 - (iii) where the period is indeterminate, it is deemed to be six (6) months.

- (3) Notwithstanding Sub-subparagraphs (1) (a) and (2) (a) above, where a customer changes the use to which electricity is put by the customer such that the rate category applicable to the customer under the Electricity Rates is modified and where the customer has not notified Hydro-Québec of such change in accordance with Sections 8.1 and 18.19, Hydro-Québec claims the amount resulting from the application of the correction for all consumption periods affected.

- (4) Notwithstanding Subparagraphs (1) and (2) above, in cases involving crossed meters
 - (a) where the correction involves applying a debit to the bill of one customer and a credit to the bill of another customer, Hydro-Québec makes the appropriate corrections, claiming from or refunding the customer, as the case may be, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;
 - (b) where the period is indeterminate, it is deemed to be six (6) months;
 - (c) the provisions of Subparagraph (4) apply where two (2) or more meters are affected by a correction, with the necessary adjustments being made.

- (5) When Hydro-Québec determines that the electrical installation or metering equipment has been manipulated in such a way as to falsify the metering of the electricity, or when the metering of electricity is impeded, Hydro-Québec claims the amount resulting from the application of the correction for all consumption periods affected.
- (6) The following are excluded from the bill correction provisions
 - (a) corrections to bill estimates established in accordance with Section 11.2;
 - (b) revision of equalized payments plans established in accordance with Section 11.9;
 - (c) the consumption of electricity contemplated in Section 6.6;
 - (d) errors caused by wilful damage to Hydro-Québec's equipment;
 - (e) contracts billed according to a flat rate under the Electricity Rates.
- (7) In all cases where Hydro-Québec refunds an amount to a customer, interest is calculated on the amount refunded at the prime rate of the National Bank of Canada in effect on the first business day of the month in which the amount is refunded. This provision does not apply in the case of a correction made in accordance with Subparagraph (4) above.
- (8) All periods contemplated in this Section are determined starting from the date of Hydro-Québec's notice informing the customer of the discovery of the irregularity. If the irregularity was reported by the customer, the periods contemplated in this Section are determined starting from the date of the customer's notice informing Hydro-Québec of the discovery of the irregularity.
- (9) Where the correction involves applying a debit to the customer's bill, Hydro-Québec agrees, at the customer's request, that the amount resulting from the application of the correction may be paid in two consecutive instalments following the due date referred to in Section 11.6. Hydro-Québec may also come to a payment agreement with the customer.

DIVISION 2 – PAYMENT PROCEDURES

Time allowed for payment

11.6 All bills must be paid in Canadian dollars, within 21 days of the billing date. If the twenty-first day is a day when Hydro-Québec's customer service department is closed, the due date is deferred to the next following business day. Failure to pay by the due date results in administration charges applied to the unpaid balance at the rate applicable at the billing date, calculated in accordance with the "*administration charges applicable to billing by Hydro-Québec*" as established in the Electricity Rates.

If Hydro-Québec is advised by a financial institution that payment cannot be made because of insufficient funds, the "*charge for insufficient funds*" as established in the Electricity Rates is applied.

Payment of bills

11.7 The customer may pay its bill by mail or to any authorized agent of Hydro-Québec listed in Schedule IV.

Compensation

11.8 The customer may not deduct from his bill an amount due to him from Hydro-Québec or a direct claim or counter-claim which he has, or claims to have, against Hydro-Québec.

Equalized payments plan

11.9 A customer may, on agreement with Hydro-Québec, use the equalized payments plan under which the anticipated cost of electricity is divided into 12 monthly instalments based on an estimate of future consumption, subject to an overpayment or balance owing at the end of the agreement or at the annual revision, once the actual consumption is known.

Any service contract is eligible except for large-power contracts, provided that the consumption history is about 11 months at the relevant premises for a reasonable projection to be done.

Hydro-Québec reviews the equalized payments plan of the contract every year before the winter period. If there is a balance owing, Hydro-Québec allows this amount to be spread out over the next 12 months. Hydro-Québec may also work out a payment arrangement with the customer.

If there is a substantial discrepancy between the monthly instalments billed and the actual cost of the electricity consumed, Hydro-Québec may perform interim reviews, taking into account any rate adjustment.

The equalized payments plan will cease to apply in the following cases:

- (1) at any time, on the customer's request;
- (2) when the contract is terminated.

Moreover, Hydro-Québec may terminate a customer's participation in the equalized payments plan if the customer has missed more than one instalment.

DIVISION 3 – BILLING AND PAYMENT PROCEDURES FOR SOME LARGE-POWER SERVICE CONTRACTS

Application

11.10 The provisions set forth in this division apply to large-power service contracts. They come into effect on April 8th, 2011 and have precedence over any incompatible provision set forth in these Conditions of Electricity Service and/or any incompatible provisions of a billing or payment agreement, despite any cancellation deadline stipulated in such an agreement.

In this division, a risky service contract is one with a customer assigned a credit rating in column 4 of the table in Schedule VII, and a high-risk service contract is one with a customer assigned a credit rating in column 5 of the table in Schedule VII.

If a customer has not been assigned a credit rating within the past 12 months by one of the agencies listed in Schedule VII, Hydro-Québec will conduct its own risk analysis using the applicable scorecard in Schedule VII.

If the customer fails to provide Hydro-Québec with the financial information required for the risk analysis, or if it has failed to pay a bill on time, all the customer's large-power service contracts are deemed to be high-risk.

Information confidentiality

11.11 Subject to any applicable law, Hydro-Québec undertakes to keep confidential all information provided by the customer related to the present division and identified as confidential by said customer.

Notice

11.12 When Hydro-Québec intends to apply sections 11.14 to 11.16 to a large-power service contract, it notifies the customer to that effect in writing, specifying the terms and conditions. Upon receipt of the notice, the customer shall communicate with Hydro-Québec and reach an agreement on the date that the new terms and conditions come into effect, as well as reasonable transitional measures.

If no agreement can be reached, the new terms and conditions come into effect eight (8) days after the date the notice was sent. In the case of a high-risk service contract, Hydro-Québec bills any unbilled consumption and power demand, and the bill must be paid within five business days of the billing date.

Revision demand

11.13 A customer who has not been assigned a credit rating by one of the agencies listed in Schedule VII and disagrees with the credit rating assigned by Hydro-Québec may ask to have a recognized credit-rating agency perform a new risk analysis based on the financial information already supplied. The customer shall indicate the grounds of its disagreement concerning the application of Schedule VII in writing and in sufficient detail. Such a request neither suspends nor prevents the application of the terms and conditions provided in sections 11.14 to 11.16 on the basis of the risk analysis done by Hydro-Québec.

The customer shall pay for the new analysis before the credit-rating agency starts its work. If the credit-rating agency assigns a credit rating that changes the results of the application of paragraph 2 of Section 11.10 in the customer's favor, Hydro-Québec will reimburse the cost of the analysis within 30 days.

Time allowed for payment

11.14 For a risky or high-risk service contract, all bills must be paid in Canadian dollars, within five (5) business days of the billing date.

Billing frequency

11.15 For a high-risk service contract, Hydro-Québec sends the customer weekly bills based on estimates.

Each month, Hydro-Québec reconciles the energy, power demand, options and services in accordance with the electricity rates. The amount of any adjustment is credited or debited to the customer's bill.

Deposit or guarantee of payment

11.16 For a high-risk service contract, a cash deposit or a guarantee may be required by Hydro-Québec. Any deposit or guarantee is payable within eight (8) days of Hydro-Québec's request and may not exceed a sum equal to the highest estimated billing for power and energy, including all taxes, for twelve (12) consecutive days within the 12-month period following the date on which the amount of the deposit or guarantee is established. Section 9.4 applies to deposits paid by customers pursuant to this section.

Termination of applying

11.17 Section 11.14 ceases to apply when the service contract has no longer been risky within the meaning of Section 11.10 for at least two (2) consecutive quarters.

Sections 11.15 and 11.16 cease to apply when the service contract has no longer been high-risk within the meaning of Section 11.10 for at least two (2) consecutive quarters.

In all cases, these provisions cease to apply at the end of the monthly consumption period following the date of receipt of a written notice to this effect from Hydro-Québec. Any deposit or guarantee provided pursuant to Section 11.16 is then refunded to the customer as per Section 9.8, with any necessary adjustments.

CHAPTER 12

REFUSAL OR INTERRUPTION OF SERVICE

DIVISION 1 – INTERRUPTION FOR SYSTEM PURPOSES

Emergencies

- 12.1** Hydro-Québec delivers and supplies electricity subject to interruptions which may arise from an emergency, an accident, an equipment failure or the activation of system protective devices.

System maintenance

- 12.2** Hydro-Québec may, at any time, interrupt service or delivery of electricity for the purpose of maintenance, repairs, modification or management of the system, or for reasons of public utility or safety.

DIVISION 2 – REFUSAL OR INTERRUPTION OF SERVICE OR DELIVERY OF ELECTRICITY

Refusal or interruption of service

- 12.3** Subject to section 20 of the *Act respecting the mode of payment for electric and gas service in certain buildings*, Hydro-Québec refuses to supply or deliver electricity or interrupts such service or delivery in the following cases
- (1) a competent federal, provincial or municipal agency orders it to do so;
 - (2) public safety requires that it do so;
 - (3) metering equipment or any other Hydro-Québec equipment is manipulated or tampered with, the service or delivery of electricity is impeded or the provisions of Section 13.2 are contravened;
 - (4) the modifications or adjustments necessary to ensure that the electrical installation of the property supplied complies with the technical requirements set out in these Conditions of Service are not made or, despite Hydro-Québec's request, the causes of disturbances on the system are not eliminated;
 - (5) the customer does not use electricity in accordance with Sections 8.1, 8.2, 18.8, 18.16 and 18.19;
 - (6) Hydro-Québec is not authorized to install its equipment on the property supplied, including metering and control equipment, or the rights and installations required for sealing, metering and control have not been granted to Hydro-Québec;
 - (7) the electrical installation has been connected to Hydro-Québec's system without the latter's authorization;

- (8) the electrical installation of the property supplied has not been approved or authorized by a competent authority pursuant to any applicable legislative or regulatory provision;
- (9) the occupant, tenant, administrator or owner contemplated by Section 6.6 uses or can use electricity without having entered into a contract.

Hydro-Québec may also refuse to supply or deliver electricity or may interrupt such service or delivery in the following cases

- (1) the customer fails to pay his bill on time or fails to comply with the conditions of a payment agreement;
- (2) the customer refuses to provide Hydro-Québec with information required under these Conditions of Service or supplies erroneous information;
- (3) the customer refuses to make the deposit or supply any other guarantee required under these Conditions of Service;
- (4) Hydro-Québec's representatives do not have the access referred to in Section 13.1.

Interruption of service – winter period

12.4 Between December 1 and March 31 inclusive, Hydro-Québec, in the cases contemplated in Subparagraphs 1 to 4 of the second paragraph of Section 12.3, does not interrupt service or delivery of electricity and does not refuse to supply or deliver electricity to a principal residence occupied by a residential customer whose heating system requires electricity.

Overdue notice

12.5 Where Hydro-Québec intends to interrupt the service or delivery of electricity of a customer for a domestic use contract who does not pay his bill on time, it gives the customer an overdue notice advising him of the possibility of an interruption of service, at least 15 clear days before the notice of interruption is sent.

Where Hydro-Québec intends to interrupt the service or delivery of electricity of a customer for a general use contract who does not pay his bill on time, except for large-power customers deemed to be high-risk within the meaning of Section 11.10, it gives the customer an overdue notice advising him of the possibility of an interruption of service, at least eight (8) clear days before the notice of interruption is sent.

In all cases, this overdue notice must be sent by any means making it possible to prove the notice was sent.

Notice of interruption of service

12.6 Where Hydro-Québec interrupts the service or delivery of electricity under Section 12.3, except in cases stipulated in Subparagraphs 1 to 3 and 7 of the first paragraph of the said section, it gives the customer at least eight (8) clear days' notice of its intention to interrupt.

This notice must be sent by any means making it possible to prove the notice was sent.

Before interrupting service pursuant to Subparagraph 1 of the second paragraph of Section 12.3, Hydro-Québec proposes, at the request of a customer, a payment agreement.

Term of notice

12.7 The notice referred to in Section 12.6 is valid for a period of 45 days from the date it is sent.

Access controlled by owner

- 12.8** Where Hydro-Québec is unable to access its installations, in violation of Section 13.1, and where such access is controlled by an owner or his agent or an administrator other than the customer, Hydro-Québec informs such owner, agent or administrator in writing that it intends to interrupt the customer's service if the conditions of access to Hydro-Québec's installations are not complied with.

In such a case, the information is conveyed 30 days before the notice of interruption stipulated in Section 12.6 is sent, with a true copy to the customer.

Charge for interrupting service

- 12.9** When the service or delivery of electricity has been interrupted under Section 12.3, except in the cases provided for in Subparagraphs 1 and 2 of the first paragraph, the customer must remedy the situation which justified the interruption and pay Hydro-Québec the *"charge for interrupting service"* stipulated in the Electricity Rates.

The customer does not pay the *"charge for establishing service"* stipulated in the Electricity Rates when service is re-established during Hydro-Québec's regular working hours as established in the Electricity Rates.

In the event that the customer requires service to be re-established outside Hydro-Québec's regular working hours, Hydro-Québec bills the customer for the cost of such request calculated in accordance with Section 17.1, from which the billed charge for interrupting service is deducted.

Guarantee of payment following interruption

- 12.10** For purposes of Section 12.9, the customer, in addition to paying the costs referred to in Section 12.9, must make a deposit or supply a guarantee according to Sections 9.1 and 9.2 if the service or delivery of electricity is interrupted pursuant to Subparagraph 1 of the second paragraph of Section 12.3 and if he is asked to do so.

Re-establishment of service during winter period

- 12.11** Where the service or delivery of electricity is interrupted pursuant to Subparagraphs 1 to 4 of the second paragraph of Section 12.3, Hydro-Québec, with the customer's consent, re-establishes the service or delivery of electricity to a residential customer whose heating system requires electricity at a principal residence occupied by the customer on or about December 1, in which case the charges referred to in Section 12.9 are added to the customer's bill.

Termination of contract following service interruption

- 12.12** When Hydro-Québec has interrupted the service or delivery of electricity under Section 12.3 for at least 30 consecutive clear days, it may immediately terminate the contract by sending the customer written notice to this effect, except in the cases contemplated in Subparagraphs 1 and 2 of the first paragraph of Section 12.3.

The charges stipulated in the Electricity Rates other than the *"charge for establishing service"* and any other amount then due from the customer for the service or delivery of electricity are payable before service is established.

CHAPTER 13

ACCESS TO HYDRO-QUÉBEC'S INSTALLATIONS

Access to Hydro-Québec's installations

13.1 Access to metering equipment is a prior condition for the delivery of electricity to a customer.

Hydro-Québec and its representatives must be able to enter the property supplied in the following cases

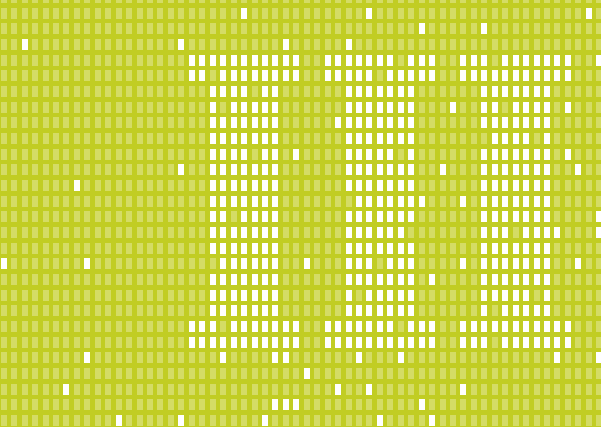
- (1) to establish or interrupt the service or delivery of electricity;
- (2) to install, operate, inspect, maintain, repair, modify or remove Hydro-Québec's equipment;
- (3) to verify whether the customer's use of electricity complies with Sections 8.1, 8.2, 18.8, 18.16 and 18.19;
- (4) to read meters.

Hydro-Québec may enter the property supplied at any time, when the continuity of the service and delivery of electricity or safety so require, and between 8:00 a.m. and 9:00 p.m. every day, except Sundays and holidays, for any other reason.

Hydro-Québec's prior authorization must be obtained before proceeding with any work on the property supplied or on the installations which may prevent or hinder exercise of the right of access stipulated in this Section.

Intervention on Hydro-Québec's equipment

13.2 The customer may not hinder the smooth operation of Hydro-Québec's installations, apparatus and equipment and is prohibited from using same and from effecting any manoeuvre or intervention whatsoever thereon without obtaining Hydro-Québec's express authorization to do so.



SUPPLY

Frequency and voltage

14.1 Hydro-Québec supplies electricity at the connection point at a frequency of approximately 60 hertz in accordance with the provisions of this Chapter.

Steady state voltage up to 44,000 V is supplied in accordance with the provisions of standard No. CAN3-C235-83 (R2010) in force at the time of application.

Limitations and technical specifications of supply

14.2 Electricity is supplied subject to the limitations and upon the conditions described in these Conditions of Service and in accordance with the applicable technical specifications, including the specifications of the distribution substations, civil works and equipment required for such supply.

DIVISION 1 – SUPPLY AT LOW VOLTAGE

Supply voltage and limitations

14.3 Electricity at low voltage is supplied at single-phase voltage of 120/240 V or at three-phase voltage of 347/600 V grounded wye if the sum of the rated current of the service boxes of the electrical installation does not exceed the following limits

- (1) 1,200 A at 120/240 V;
- (2) 6,000 A at 347/600 V.

Change of 600-V, three-wire supply

14.3.1 Where the customer's electrical installation is supplied at 600 V, 3-wire, Hydro-Québec may, at any time, change this voltage to three-phase, 347/600 V, grounded wye. In such a case, it shall give the customer at least 30 days' written notice before the date of the voltage conversion and of the termination of service at the existing voltage. The customer must then update its electrical installation at its expense in order to allow supply at the new voltage, carrying out all work mentioned in Section 14.5, if applicable.

Supply directly from power line or from distribution substation

14.4 Electricity at low voltage is supplied directly from the power line where the sum of the rated current of the service boxes is 600 A or less, or where the sum of the rated current of the service boxes exceeds 600 A and the maximum current demand on the distribution service loop does not exceed 500 A, or 600 A for a dual-energy system during the winter period.

Where the sum of the rated current of the service boxes on the distribution service loop exceeds 600 A, electricity at low voltage is supplied from a distribution substation located on the property to be supplied and installed either on a pole, a base or a platform or in an annex.

Where the applicant and Hydro-Québec agree on another mode of supply at low voltage, the applicant assumes all the additional costs.

Work by applicant

- 14.5** Except where electricity at low voltage is supplied from a distribution substation located on a pole or platform, the applicant must, at his expense, build, install, fit out, maintain and replace the civil works and equipment required for such supply, other than Hydro-Québec's electrical equipment.

600 A limitation

- 14.6** In the case of an electrical installation the sum of the rated current of whose service boxes exceeds 600 A and to which electricity is supplied at 347/600 V, directly from the power line or from a distribution substation installed on a pole, Hydro-Québec advises the customer in writing when it determines that the limit of maximum current demand is exceeded. The customer must then, within six (6) months following the date of receipt of the notice
- (1) install, at his expense, the civil works and equipment required for the supply of electricity from a distribution substation that is not installed on a pole; and
 - (2) pay, when requested, the cost of the portion of the distribution service loop exceeding 30 metres; and
 - (3) reimburse the total cost incurred by Hydro-Québec for the installation and removal of equipment and materials, including transformers, required for the supply of electricity directly from the power line or from a distribution substation installed on a pole where the limit of current demand is exceeded in the course of the five (5) years following the date on which service is first established. The depreciated value of the equipment and materials recovered for reuse by Hydro-Québec is refunded to the customer who paid for it.

Abrupt current demand of 100 A

- 14.7** When electricity is supplied to the electrical installation directly from the power line at low voltage, no load likely to cause an abrupt current demand of 100 A or more may be connected without Hydro-Québec's written authorization.

Use of distribution substation

- 14.8** Subject to the customer's priority use of the full capacity of the distribution substation, Hydro-Québec may use such substation to supply electricity to the electrical installations of other customers.

DIVISION 2 – SUPPLY AT MEDIUM VOLTAGE

Medium voltage supply limitation

- 14.9** Electricity at medium voltage is supplied to an electrical installation at three-phase voltage up to a maximum current of 260 A.

When the maximum current required exceeds 260 A supplied at three-phase voltage, electricity is supplied to the electrical installation at medium or high voltage.

Voltage other than 25 kV

- 14.10** When electricity at medium voltage is supplied at a voltage other than 25 kV, Hydro-Québec may change such voltage to 25 kV at any time.

Any new electrical installation must be designed to receive electricity at 25 kV and at the other voltage, unless Hydro-Québec notifies the customer in writing to the contrary.

Hydro-Québec pays the following compensation to the customer:

- (1) at the customer's request, and only once per transformer, an amount equal to the difference between the cost of a transformer designed to receive electricity at 25 kV and at the other voltage and the cost of a transformer designed to receive electricity solely at 25 kV;
- (2) the credit for supply at medium or high voltage specified in the *Distribution Tariff* for a voltage of 25 kV. This credit applies as of the first complete billing period following the date on which the capacity of the transformer or transformers installed by the customer and capable of receiving electricity at 25 kV allows the customer to use all of the available power he has agreed to with Hydro-Québec.

SUBDIVISION 1 – VOLTAGE CONVERSION

Applicable procedure for voltage conversion

14.11 Starting on April 1, 2008, when Hydro-Québec plans to change the voltage at which electricity is supplied to a customer substation in order to adopt a voltage of 25 kV, it informs the customer in writing, at least 24 months before the anticipated date of the voltage conversion. The customer then has the choice of modifying the customer substation or opting for supply at low voltage.

Following receipt of a conversion notice from Hydro-Québec, any additions, modifications or replacements must be carried out in such a way that the customer substation can ultimately receive electricity at 25 kV. The customer assumes the cost of the additions, modifications and replacements required to be made to his installation. Hydro-Québec informs the customer in writing of the compensations under Schedule V to which he is entitled. At the customer's request, such compensation is paid to him at the time provided in Schedule V or when the electrical installation is able to receive electricity at the new required voltage.

If, when voltage is converted, the customer opts for supply at low voltage, only the compensations provided for in Sections 4 and 5 of Schedule V are paid at his request when the electrical installation is able to receive electricity at low voltage.

Step-down substation

14.12 *Repealed*

CHAPTER 15

SUPPLY OF ELECTRICITY TO THE ELECTRICAL INSTALLATION

Service loop supplied by Hydro-Québec

15.1 Hydro-Québec supplies and installs the distribution service loop to the connection point, which must be located in a place that is directly accessible from the power line.

Type of service loop

15.2 The distribution service loop is

- (1) overhead if the power line is overhead at the place where the service loop is connected and electricity is supplied to the electrical installation directly from the power line or from a distribution substation installed on a pole or platform;
- (2) underground if the power line is underground at the place where the service loop is connected or electricity is supplied to the electrical installation from a distribution substation other than a distribution substation installed on a pole or platform.

Civil works for distribution service loop

15.3 Where the distribution service loop is underground, the applicant must undertake, at his expense, the civil works required for the supply of electricity to the property to be supplied.

Cost of service loop

15.4 When the distribution service loop is first installed or is replaced further to an increase in load, the applicant must pay the cost of work related to the distribution service loop before the work begins. The applicant is entitled to an exemption of 30 metres of conductors or cable measured in the most advantageous of the following ways

- (i) from the property line dividing the property to be supplied from a public highway, to the connection point; or
- (ii) from the supply point to the connection point.

The applicant must also pay the *“charge for establishing service”* stipulated in the Electricity Rates in force at the date of receipt of the request.

In the case of an off-grid system located north of the 53rd parallel, except the Schefferville system, if the new distribution service loop carries a space or water heating load, the applicant must pay the *“special connection charge for off-grid systems”* stipulated in the Electricity Rates instead of the *“charge for establishing service”*. This charge also applies in the case of conversion to electricity of a space or water heating system. The *“special connection charge for off-grid systems”* does not apply in cases where the distribution service loop is supplying temporary electric heating loads for drying joints or paint during construction.

Intervention charges

15.5 When interventions are carried out or work is done on Hydro-Québec’s equipment subsequent to the date on which service to the customer’s electrical installation is first established, the person who requested or caused the work to be done must pay for the cost of such work before the work begins, including the cost of modifying the distribution service loop and the cost incurred for the first 30 metres. Work required as a result of a failure on the power line is excluded.

In the case of any request for modification of a connection, disconnection, remaking of any connection splices or establishment of service, the minimum cost of the intervention is the *“charge for establishing service”* stipulated in the Electricity Rates for Hydro-Québec’s regular working hours, in force at the date of receipt of the request.

However, where Hydro-Québec determines on the premises that service to the installation for which it received a request for intervention has already been established, the cost

of the intervention is the “*charge for travel without establishing service*” stipulated in the Electricity Rates in force at the date of receipt of the request.

When Hydro-Quebec determines that the electrical installation or metering equipment has been manipulated in such a way as to falsify the metering of the electricity, or when the metering of electricity is impeded, the customer must pay the “*inspection fee*” stipulated in the Electricity Rates and the cost of purchase and installation of the metering equipment unless the customer can show that the manipulation of impediment took place without the customer’s knowledge.

Summary estimate of cost of work

- 15.6** Where the cost of work exceeds the “*charge for establishing service*” stipulated in the Electricity Rates for Hydro-Québec’s regular working hours, Hydro-Québec provides a summary written estimate of the cost of such work.

Underground customer’s service entrance

- 15.7** Where the power line is overhead and the applicant asks for the service loop to be underground, Hydro-Québec does not supply a distribution service loop.

Where the customer’s service entrance is underground and the power line is overhead, the customer’s service entrance may be installed on the pole of the power line, following an agreement with Hydro-Québec.

If Hydro-Québec replaces, moves or removes the pole on which is installed the customer’s service entrance and the equipment installed on it, the owner of the said equipment must perform, at his expense, the work required to be done on this electrical installation.

Cost for temporary supply

- 15.8** When temporary supply is requested, the applicant pays, before the work begins, the applicable prices for “*Flat-fee work*” set out in the *Distribution Tariff*, if applicable, or otherwise, the cost of work required for such temporary supply, including the sum of the following items

- (1) the cost of installing metering equipment, transformers, circuit breakers and lightning arresters necessary for the operation of such transformers;
- (2) when there is a distribution service loop, the cost of work related to that service loop including the cost for the first 30 metres of conductors or cable measured, provided that
 - (i) when the power line is overhead, Hydro-Québec does not supply a service loop, except for the medium voltage portion, where electricity is supplied from a distribution substation;
 - (ii) when the power line is underground, Hydro-Québec supplies, at the applicant’s expense, the distribution service loop to the connection point;
- (3) when there is a customer’s service loop, the cost of work carried out by Hydro-Québec for installation of the service loop;
- (4) the “*charge for establishing service*” stipulated in the Electricity Rates;
- (5) the cost estimated by Hydro-Québec for dismantling the installations that will no longer be required when temporary supply ends and, if necessary, for restoring the condition of the site.

Dismantling

- 15.9** The provisions of Chapter 16 do not apply in the case of temporary supply. After dismantling, only the depreciated value of the equipment and materials recovered for reuse by Hydro-Québec is refunded to the applicant who paid for it.

Cost of backup supply

- 15.10** Any request for backup electricity supply constitutes an option conditional upon Hydro-Québec's written acceptance, the cost of which is payable by the applicant before work begins and is not refundable. Hydro-Québec informs the customer, in writing, of the terms and conditions for using the backup line.

No guarantee

- 15.11** Hydro-Québec's agreement to supply backup electricity does not guarantee either continuity of electricity supply or delivery of electricity.

CHAPTER 16

EXTENSION AND MODIFICATION OF DISTRIBUTION LINE

DIVISION 1 – GENERAL PROVISIONS

Contribution agreement, reference offer and options

- 16.1** When an extension or modification of the power line is necessary in order to meet a request for supply, the applicant must pay the cost of work required to allow such service to be provided, in accordance with the provisions contained in this chapter. Before the work begins, the applicant and Hydro-Québec sign a contribution agreement.

Any request of the applicant over and above the reference offer is conditional upon Hydro-Québec's acceptance and constitutes an option. The cost of the additional work required in connection with an option must be paid by the applicant, before the work begins, and is not refundable. No allowed amount applies to an option.

A request for an underground power line where an overhead power line is provided for in the reference offer constitutes an option, the cost of which equals the difference between the total cost of the underground work and the cost of work that would be realised overhead, calculated in accordance with the conditions set out in the Chapter 17.

Only the payment required for work covered by the reference offer, excluding work done on the distribution service loop, may be refunded as provided in this chapter. In no event may the total refund exceed the contribution paid by the applicant.

The applicant does not contribute to the cost of work to modify the power line in order to allow a load to be increased or electricity to be supplied to a new installation, excluding all work to extend an existing power line, if

- (1) the voltage required on the power line is available from the existing power line; and
- (2) the increase in available power over a period of five (5) years is less than 5 MVA, including initial power where service was established less than five (5) years before.

Cost of work – overhead extension

16.2 The cost of work to extend an overhead power line, excluding the distribution service loop, is determined by multiplying the applicable price per overhead metre established in the Electricity Rates by the length of the power line to be constructed. The costs related to tree removal, civil works and any right of servitude determined by Hydro-Québec, as required, are added to the said cost.

Cost of work – special conditions

16.3 The cost of work is determined in accordance with the conditions set out in the Chapter 17 in the following cases

- (1) for any intervention on an off-grid system located north of the 53rd parallel;
- (2) for any modification of an existing power line;
- (3) when Hydro-Québec cannot reach the worksite by a highway accessible by flatbed trailer;
- (4) when the work includes crossing a lake or river.

DIVISION 2 – DOMESTIC USE – NON-DEVELOPER

Overhead – with water supply system

16.4 When an overhead power line is extended in order to supply electricity to a dwelling unit serviced by a municipal water supply or sanitary sewer system, the applicant does not contribute to the cost of work for the reference offer.

Overhead – no water supply system

16.5 When there is no municipal water supply or sanitary sewer system in place, the applicant's contribution for the extension of an overhead power line is equal to the cost of work. The applicant is entitled to an exemption for 100 metres of power line measured, excluding the distribution service loop.

When there is more than one dwelling, the applicant is entitled to the *"amount allocated for domestic use"* established in the Electricity Rates for each additional dwelling unit.

The applicant chooses to pay the contribution

- (1) in a single payment on the date the contribution agreement is signed;
- (2) in 30 two-monthly instalments, including interest at the prospective capital cost rate stipulated in the Electricity Rates in effect on the date the contribution agreement is signed. The rate is fixed for the term of the agreement. The first instalment is payable on the date the agreement is signed.

DIVISION 3 – DOMESTIC USE – DEVELOPER

Overhead – with water supply system

16.6 When an overhead power line is extended in order to supply electricity to a dwelling unit serviced by a municipal water supply or sanitary sewer system, the developer's contribution for the reference offer is limited to the costs related to tree removal and rights of servitude determined by Hydro-Québec, as required.

Overhead – no water supply system

16.7 When there is no municipal water supply or sanitary sewer system in place, the developer's contribution for the extension of an overhead power line is equal to the cost of work. The developer is entitled to an exemption for 100 metres of power line measured, excluding the distribution service loop. This 100-metre exemption is applied one time only for the whole housing project.

For a period of five (5) years following the date the contribution agreement is signed, the developer is entitled to a refund of the "*amount allocated for domestic use*" established in the Electricity Rates after the connection of each dwelling unit after the first. However, the costs related to tree removal and rights of servitude are not refundable.

Where the streets of the housing project are public highways, all lots and streets covered by the project have an individual cadastral number in accordance with Article 3032 of the Civil Code of Québec, S.Q. 1991, c. 64 and an agreement has been signed with Hydro-Québec for the development of the site or a part of the site to be supplied, Hydro-Québec accelerates the refund of an amount equal to 60% of the value of the allocations to which the developer is entitled for the site or part of the site to be supplied. In such a case, no further refund is paid to the developer until

- (1) the dwelling for which the developer had an exemption for 100 metres of power line has been connected; and
- (2) the dwellings for which Hydro-Québec accelerated the refund of 60% of the value of the allocations have been connected.

The developer must pay the contribution in a single payment on the date the contribution agreement is signed.

Underground supply – housing development

16.8 When a developer requests underground supply for a housing development, the cost of the option for each domestic-use building containing eight dwellings or less, supplied at a voltage of 120/240 V, is the applicable "*price per building – underground*" established in the Electricity Rates, where both of the following conditions are met

- (1) part of Hydro-Québec's electrical equipment is installed above ground; and
- (2) where individual houses are planned, the average frontage of the lots of all the individual houses does not exceed 30 metres.

The cost of the option is then the sum of the following components

- (1) the applicable "*price per building – underground*" established in the Electricity Rates;
- (2) the number of metres in excess multiplied by the "*price per additional metre – underground*" established in the Electricity Rates when the average frontage of the lots for all such individual houses exceeds
 - (i) 15 metres for individual houses when the rated current of the service box does not exceed 200 A;
 - (ii) 24 metres for individual houses when the rated current of the service box is 400 or 600 A.

The cost of the underground supply option for the buildings of a housing development always includes a local underground power line and a main underground power line where Hydro-Québec is not authorized to construct a main overhead power line. For purposes

of this Section, a main overhead power line is a line installed on wood poles that does not include any low voltage transforming equipment or cable.

Furthermore, the cost of the option is increased by the costs related to tree removal and rights of servitude, if any. The applicant must undertake, at his expense, the civil works required for the local power line and service loops.

DIVISION 4 – NON-DOMESTIC USE

Applicant's contribution

- 16.9** In the case of non-domestic use, or in the case of a farm, the applicant must pay, on the date the contribution agreement is signed, the excess of the cost of work over the allowed amount.

The allowed amount is the estimated annual average billing demand in kW multiplied by the *"amount allocated for non-domestic use"* established in the Electricity Rates. In the case of an increase in load for an existing electrical installation, only the additional annual average billing demand is taken into consideration.

Adjustment charge

- 16.10** For each of the five (5) years following the date on which service to the electrical installation is first established, Hydro-Québec may require the applicant to pay the *"non-domestic use allocation adjustment charge"* established in the Electricity Rates for the difference between the initial estimate of annual average billing demand in kW for the installation and the average kW actually billed for that installation. In the case of an increase in load for an existing electrical installation, only the additional annual average billing demand is taken into consideration in the calculation of the difference. The allocation adjustment charge is fixed for the period of five (5) years.

Supply to industrial park

- 16.11** In the case of an extension of a power line within the limits of an industrial park, Hydro-Québec may opt not to require a contribution for the reference offer where the municipality previously transmitted a development plan to Hydro-Québec and agreed on a plan for installation of the power line based on completion of the public infrastructure work.

DIVISION 5 – REFUND OF CONTRIBUTION IN CASE OF ADDITIONS OR JOINT USE

Conditions for refund

- 16.12** For the five (5) years following the date on which the contribution agreement is signed, connection of a new permanent electrical installation to the portion of the power line for which the applicant has paid a contribution gives rise to a refund determined on the basis of the amount allocated in respect of the use that is to be made of the new installation in accordance with the Electricity Rates in force on the date of connection of the addition. Such amount is paid to the applicant during the period of five (5) years, if he so requests, or at the end of the period of five (5) years.

The allowed amount for non-domestic use or for a farm is determined on the basis of the estimated annual average billing demand for the new installation, expressed in kW, multiplied by the *"amount allocated for non-domestic use"* established in the Electricity Rates.

Refund for additions requiring power line extension

16.13 Refunds are reduced by the cost of any extension of the power line required to supply electricity to the electrical installation that is added.

Refunds are applied first to the applicant who paid for the extension or modification of the portion of the power line where the new installation is connected. If the contribution paid by such applicant has been refunded in full, the balance refundable is applied to the applicant who paid for the portion immediately prior to that section. This rule applies until any balance refundable has been exhausted.

Joint-use credit

16.14 The applicant is entitled to an adjustment of the amount of his contribution if, at the time of the initial installation or during the term of his contribution agreement, the Hydro-Québec poles that were included in the cost of work are used by an enterprise with which Hydro-Québec shares the cost and ownership of the poles. Such adjustment is based

- (1) on the *"joint-use credit"* established in the Electricity Rates where the cost of work is calculated from per-metre prices; or
- (2) in other cases, on the amount estimated by Hydro-Québec.

The total amount of the credit may not exceed the balance of the refundable contribution paid by the applicant.

DIVISION 6 – ABANDONMENT OF PROJECT

Cost of abandonment

16.15 When a project for the supply of electricity is abandoned after the applicant has agreed in writing to the terms of a summary written estimate provided by Hydro-Québec, the cost of abandonment is the sum of the following components

- (1) the costs incurred for purchases and service contracts as well as compensations to be paid;
- (2) the cost of work done;
- (3) the cost of work made necessary by the abandonment of the project, including, if applicable, dismantling of installations;
- (4) actual engineering and applications management costs.

The depreciated value of equipment and materials recovered for reuse by Hydro-Québec is deducted from the cost of abandonment.

In such case the applicant is not entitled to the allocated amounts established in the Electricity Rates or to the applicable contribution exemptions. Any amount paid by the applicant in excess of the amount billed is refunded.

A project is abandoned where

- (1) the applicant advises Hydro-Québec that he is abandoning the project; or
- (2) service has not been established within a 12-month period following the scheduled connection date, unless an agreement is entered into between the applicant and Hydro-Québec.

CHAPTER 17

COST OF WORK

Calculation of cost of work

17.1 For purposes of these Conditions for Electricity Service, the cost of work is calculated by Hydro-Québec from the prices for overhead and underground work and the prices for “Flat-fee work” established in the Electricity Rates where such prices are applicable. All these prices are available for information purposes at Hydro-Québec’s customer service department and on Hydro-Québec’s website. The “prices for overhead work” apply when Hydro-Québec can reach the worksite by flatbed trailer and use at the site the equipment required to implement the reference offer. The “prices for underground work” apply when the reference offer is for underground work.

In other cases, or where the cost of work cannot be fully calculated in the manner provided for above, the cost of work is Hydro-Québec’s estimate calculated as the sum of the following components, the whole in accordance with the table “*Calculation of the Cost of Work*” set out in Schedule VI of these Conditions of Service.

- (1) cost of materials needed to carry out the work, plus the “*acquisition fee*”, “*materials management fee*” and “*minor materials fee*” established in the Electricity Rates;
- (2) cost of labour and equipment needed for the performance of the work and transport, obtained by multiplying hourly rates by number of hours required;
- (3) cost of acquiring goods and services supplied by third parties and needed to carry out the work, plus the “*acquisition fee*” and the “*contract management fee*” established in the Electricity Rates;
- (4) cost of acquiring any right of servitude determined by Hydro-Québec;
- (5) when the power line is underground, “*provision for reinvestment at end of useful life*” established in the Electricity Rates, applicable on the amounts specified in Subparagraphs 1 to 3, excluding civil works;
- (6) “*engineering and applications management fee*,” established in the Electricity Rates, applicable to the amounts specified in Subparagraphs 1 to 5; and
- (7) “*provision for future operation and maintenance*” established in the Electricity Rates, applicable to the amounts specified in Subparagraphs 1 to 3, excluding civil works.

Prices applicable to cost of work

17.2 The amount of the applicant’s contribution is determined on the basis of the prices in effect

- (1) at the date of signature of the contribution agreement;
- (2) in all other cases, on the date the request is received.

Cost of transformers and metering equipment

17.3 The cost of purchasing and installing transformers, circuit breakers and lightning arresters necessary for the operation of transformers and the cost of purchasing and installing metering equipment are excluded from the cost of work when the work is carried out in accordance with the reference offer.

If the work relates to an option, all additional costs of purchasing and installing transformers, circuit breakers and lightning arresters necessary for the operation of transformers and the additional costs of purchasing and installing metering equipment are added to the cost of the option.

Cost of work for loads less than 2 kW

- 17.4** For an installation whose estimated maximum power is less than 2 kW and which is intended for non-domestic use or use other than public lighting and signage, the cost of work is at the applicant's expense. Where the work requires the addition of a transformer dedicated to supplying a single installation, the cost of the transformer, circuit breaker and lightning arrester necessary for the operation of the transformer and the cost of installing them are included in the cost of work. In this case, the applicant is not entitled to the 30 metres of conductors or cable provided at no charge under Section 15.4.

Cost of metering for small-power installation

- 17.5** Where, at the applicant's request, electricity is supplied at single-phase medium voltage for an electrical installation whose output voltage is low voltage and where the maximum current at low voltage does not exceed 500 A per building, the applicant must pay the difference between the cost for a medium voltage metering installation and the cost for a low voltage metering installation. The said amount is payable before work begins and is not refundable.

Cost of civil works

- 17.6** Where the work includes civil works, once such work has been completed, Hydro-Québec determines the actual cost thereof and adjusts the balance of the contribution previously billed for such work.

Ownership of equipment and materials

- 17.7** Hydro-Québec remains the owner of the equipment and materials used for the supply of electricity to an electrical installation even if the applicant or the customer contributes to the cost of work carried out by Hydro-Québec.

CHAPTER 18

RIGHTS AND OBLIGATIONS

DIVISION 1 – RIGHTS AND ACCESS

Installation of equipment

- 18.1** Hydro-Québec must be able to install, free of charge, on the property to be supplied, in locations that are readily accessible and safe and agreed upon with the applicant, all equipment required for service, delivery, control and metering of electricity, including equipment forming part of the power line if any part of the power line is to be used to supply electricity to the said property.

Hydro-Québec must also have the right, free of charge, to use the subsoil for the installation, maintaining, connection, operation, modification and extension, use and maintenance of the equipment forming part of Hydro-Québec's power line and the right to seal any point where a connection may be made on the line side of the metering equipment.

Clearances

18.2 Every building and installation including a swimming pool, outbuilding, platform or rostrum that is put up in proximity to Hydro-Québec's power line and metering equipment must conform to the clearances prescribed in the following standards in force at the time of installation

(1) Standard CAN3-C22.3 No. 1-06;

(2) Standard CAN3-C22.3 No. 7-06.

For the purposes of this Section, an outbuilding of less than 13 square metres is excluded provided it can be moved at any time by its owner, at the request of Hydro-Québec.

The owner of the installation must pay the cost of work for modifications required to be made to the power line in order to correct non-compliance with the standards referred to in the first paragraph applicable at the time of installation of the building including the swimming pool, outbuilding, platform or rostrum.

Use of customer's telecommunication systems

18.3 Subject to the customer's priority use of his telecommunication systems, the customer must allow Hydro-Québec to use the said systems free of charge for purposes of metering and controlling electricity.

Supply by more than one power line

18.4 When electricity is supplied at medium or high voltage by more than one power line, such power lines must be used according to Hydro-Québec's instructions.

Where one of the designated lines fails or requires an outage, the applicant or the customer must, with Hydro-Québec's authorization or at its request, take electricity through another line indicated by Hydro-Québec, solely for the duration of work unless Hydro-Québec indicates a longer period of use to him.

Protection for emergency generator

18.5 When an emergency generator set is installed, it must be equipped with a switching device authorized by Hydro-Québec.

DIVISION 2 – ELECTRICAL INSTALLATION

Customer's property

18.6 An electrical installation located on the customer's side of the connection point does not belong to Hydro-Québec, with the exception of Hydro-Québec's equipment.

Information regarding electrical installation

18.7 An electrical installation must correspond to the information supplied to Hydro-Québec pursuant to Section 8.1 and be able to receive electricity according to the agreed mode of supply.

The installation must be approved or authorized by a competent authority under any applicable legislative or regulatory provision.

Specifications of electrical installation

- 18.8** An electrical installation must be designed, built, connected, protected, used and maintained in such a way that it
- (1) allows Hydro-Québec to manage, operate and protect its system including metering equipment;
 - (2) does not disturb the system;
 - (3) does not compromise electricity service to other customers;
 - (4) does not put Hydro-Québec's representatives at risk.

Notification of defect

- 18.9** Hydro-Québec must be informed immediately of any electrical or mechanical defect in an electrical installation, known to the customer or of which the customer cannot be unaware, that could disturb the system, compromise supply to electrical installations of other customers or put persons or property, including Hydro-Québec's representatives, at risk.

Communications

- 18.10** When electricity is supplied at medium or high voltage, Hydro-Québec, in order to manage, operate and ensure the safety of the system, must be able to communicate at all times with the person or persons designated by the person responsible for the electrical installation.

The person responsible for the electrical installation must ensure that the designated persons are authorized pursuant to the *Master Electricians Act* (R.S.Q., c. M-3).

Coordination of protective equipment

- 18.11** The technical specifications and adjustment of the protective equipment of an electrical installation that is to receive electricity must allow coordination with Hydro-Québec's protective equipment.

Protection of property and safety of persons

- 18.12** The customer must ensure the protection of property and the safety of persons wherever Hydro-Québec supplies or delivers electricity. The electrical installation and equipment must be protected from voltage variations and losses, frequency variations and accidental groundings. The customer is responsible for guarding against the consequences of voltage variations and losses frequency variations and accidental groundings.

Requirements for civil works

- 18.13** When the applicant is to put in place civil works required to ensure the supply of electricity to the property to be supplied, such works must be put in place in such a way that Hydro-Québec can install, connect, operate and maintain its electrical equipment thereon in complete safety.

Underground supply at medium voltage

- 18.14** When Hydro-Québec supplies electricity at medium voltage and the power line is underground, the electrical installation must be designed and installed in such a way that it can receive electricity through more than one source of supply.

Power factor

18.15 When the power factor, measured at the delivery point, is usually less than 90%, for domestic use, for a small and medium power contract, or less than 95% for a large power contract, the customer must install, at his expense, corrective equipment, when Hydro-Québec asks him to do so in writing; however, the corrected power factor must not become capacitive.

The corrective equipment must be designed and installed in such a way that it does not disturb Hydro-Québec's system and that it can be disconnected, entirely or partly, at Hydro-Québec's request or on the basis of the variation of the power used by the customer.

The power factor is the ratio of real power demand, expressed in kW, to apparent power, expressed in kVA.

Available power

18.16 The customer must use electricity without exceeding the available power limit authorized by Hydro-Québec. Any increase in available power must be authorized in writing.

Reduction of available power

18.17 Available power may be revised downward by Hydro-Québec when maximum power demand is less than the available power authorized.

Connection of electrical generating equipment

18.18 Hydro-Québec's authorization must be obtained in writing prior to the connection of any electrical generating equipment in parallel with Hydro-Québec's system.

Moreover, in the case of electricity generating equipment that feeds electricity into Hydro-Québec's system, the following additional conditions apply

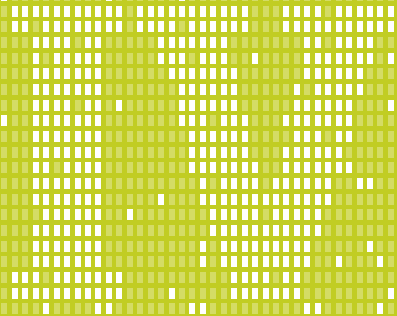
- (1) the applicant must hold a contract for electricity service that includes the net metering option for a customer-generator established in the Electricity Rates; and
- (2) the applicant must pay the inspection fee established in the Electricity Rates.

Connection of equipment on line side

18.19 Hydro-Québec's prior authorization must be obtained for any modification of the customer's service entrance or of the use to which electricity is put, or for installation of load control equipment on the line side of the metering equipment. In the latter case, only one current transformer per phase may be installed and must already have been installed by the manufacturer and be used to supply the protective relays of the installation of the property to be supplied.

Any load management equipment not belonging to Hydro-Québec must be installed on the load side of Hydro-Québec's metering equipment.

Only metering transformers not belonging to Hydro-Québec which are used solely for electrical protection or indication of the voltage of the electrical installation may be installed on the line side of Hydro-Québec's metering equipment.



TRANSITIONAL PROVISIONS

Exemption for 100 metres of power line

- 19.6** The exemption for 100 metres of power line established in the first and second paragraphs of Section 16.5 and the first paragraph of Section 16.7 is applicable to requests for supply received by Hydro-Québec after December 1, 2007 and in such cases the applicant is not entitled to the “*amount allocated for domestic use*” stipulated in the Electricity Rates for the supply of the first dwelling.

Contribution agreement

- 19.7** Any contribution agreement signed before April 1, 2008 remains subject until it expires to the conditions of service set out in *Bylaw No. 634 respecting the Conditions Governing the Supply of Electricity*, subject to sections 19.8 and 19.9.

Hydro-Québec may terminate a contribution agreement signed before April 1, 2008 by refunding to the customer or applicant the balance of the amount paid as a contribution to the cost of work established in the contribution agreement.

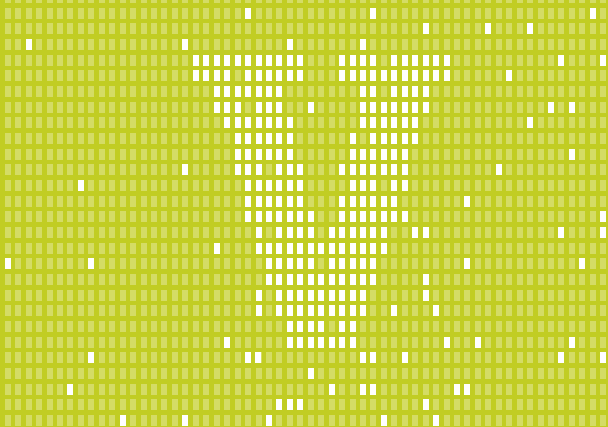
Allocation for existing contribution agreement

- 19.8** For every additional installation made on or after April 1, 2008 on a power line for which a contribution agreement is in effect, the amounts corresponding to the “*amount allocated for domestic use*” and the “*amount allocated for non-domestic use*” established in the Electricity Rates in effect on the date the additional installation is connected apply to the extent of any remaining refundable contribution. However, for any contribution agreement for underground supply signed before December 1, 2007 by Hydro-Québec and an applicant under Section 53 of the conditions of service set out in *Bylaw No. 634 respecting the Conditions Governing the Supply of Electricity*, the amount corresponding to the “*amount allocated for domestic use*” established in the Electricity Rates in effect on April 1, 2007 continues to apply until the expiry of the contribution agreement.

Interest rate applicable to ongoing contribution agreements

- 19.9** Where a contribution agreement for a domestic use is in effect on April 1, 2008, the “*rate of interest applicable to instalment payments*” is replaced by the “*prospective capital cost rate*” stipulated in the Electricity Rates in effect as of April 1, 2008 and is fixed for the remaining duration of the agreement.

The interest rate adjustment will be made by Hydro-Québec retroactively to April 1, 2008 on the date of the first revision of the contribution agreement following April 1, 2008; the resulting credit will be applied to the balance of the contribution agreement.



SCHEDULES

DOMESTIC USE

Premises or place to be served

- ## Contractholder

- Use of electricity.

Connected loads (where rated current is greater than 200 A)

- (1) Lighting;
- (2) Heating;
- (3) Ventilation;
- (4) Motive power;
- (5) Processes;
- (6) Other.

Power requested.

Date for which service is requested.

SCHEDULE I (S. 5.4)

NON-DOMESTIC USE

Information Required In The Request For A Contract For Non-Domestic Use

Premises or place to be served

- (1) Name, corporate name;
- (2) Use of facility;
- (3) Street address;
- (4) Billing address.

Contractholder

- (1) Name;
- (2) Address;
- (3) Previous address;
- (4) Telephone number;
- (5) Enterprise number (N.E.Q.).

Use of electricity.

Connected loads

- (1) Lighting;
- (2) Heating;
- (3) Ventilation;
- (4) Motive power;
- (5) Processes;
- (6) Other.

Power requested.

Date for which service is requested.

SCHEDULE II (S. 9.2)

Public Bodies And Financial Institutions

1. Public bodies

(1) the governments of Canada and of Québec and their departments;

(2) government bodies

bodies a majority of whose members are appointed by the government or a minister, whose officials or employees are by law appointed or remunerated in accordance with the *Public Service Act* (R.S.Q., c. F-3.1.1) or the *Public Service Employment Act* (R.S.C., 1985, c. P-33), or at least half of whose share capital is provided from the Consolidated Revenue Fund;

(3) health services or social services institutions

(a) public institutions within the meaning of the *Act respecting health services and social services* (R.S.Q., c. S-4.2) or within the meaning of the *Act respecting health services and social services for Cree native persons* (R.S.Q., c. S-5), amended by section 20 of chapter 23 of the Statutes of 1994;

(b) regional health and social services bodies established under the *Act respecting health services and social services* and *Regional Health and Social Services Councils* established under the *Act respecting health services and social services for Cree native persons*;

(c) the Corporation d'hébergement du Québec governed by the *Act respecting health services and social services*;

(4) municipal bodies

(a) the Communauté métropolitaine de Montréal, the Communauté métropolitaine de Québec, their transit corporations, the Réseau de Transport de Longueuil, municipal transit corporations and the Municipalité régionale de comté du Fjord-du-Saguenay;

(b) municipalities, county municipalities and regional county municipalities and bodies constituted as agent of any of such municipalities or otherwise subject to their authority;

(5) educational bodies

(a) school boards and public schools, the Conseil scolaire de l'île de Montréal;

(b) general and vocational colleges governed by the *General and Vocational Colleges Act* (R.S.Q., c. C-29);

(c) bodies established under the *Act respecting the Université du Québec* (R.S.Q., c. U-1).

2. Financial institutions

- (1) banks governed by the *Bank Act* (R.S.C., 1985, c. B-1.01);
- (2) savings and credit unions governed by the *Savings and Credit Unions Act* (R.S.Q., c. C-4);
- (3) insurance companies within the meaning of the *Act respecting insurance* (R.S.Q., c. A-32);
- (4) trust companies within the meaning of the *Act respecting trust companies and savings companies* (R.S.Q., c. S-29.01).

SCHEDULE III (S. 14.11)

**Method For Establishing The Replacement Value
Of The Customer's Electrical Equipment**

The value resulting from an annual depreciation of 4% for each component installed in the customer substation and which will no longer be used because of a voltage conversion is calculated according to the following formula

$$c = a (100 - 4b) / 100;$$

a = the cost of the equivalent new equipment installed, including materials, labour and general administrative charges;

b = the age of the component;

c = the depreciated replacement value.

The depreciated replacement value (c) may not be less than 20% of (a).

SCHEDULE IV (S. 11.7)

List Of Authorized Agents

Canadian Imperial Bank of Commerce;

Bank of Montreal;

Laurentian Bank of Canada;

National Bank of Canada;

Royal Bank of Canada;

Scotiabank;

Toronto-Dominion Bank;

Caisse centrale Desjardins.

SCHEDULE V (S. 14.11)

Compensation For Voltage Conversion

1. Compensation for the addition, modification or replacement of a transformer by a primary dual voltage transformer installed after the date of the conversion notice, applies once only per transformer and equals the difference between
 - (i) the cost of the transformer designed to receive electricity both at 25 kV and at the existing voltage; and
 - (ii) the cost of a transformer designed to receive electricity solely at 25 kV;This compensation is paid once the primary dual voltage transformer is energized.

2. The *“credit for supply at medium or high voltage”* established in the Electricity Rates corresponding to a voltage of 25 kV.

This credit is applied to the first complete billing period when the capacity of the installed transformers that are able to receive electricity at 25 kV allows all of the available power agreed with the customer to be used.

3. The reasonable cost of materials and labour paid by the applicant to allow his electrical installation to receive electricity at the time of conversion to a voltage of 25 kV.
4. The reasonable cost paid by the applicant to dismantle the electrical installations and civil works required to be dismantled for conversion purposes, excluding costs of decontaminating and restoring the condition of the land.
5. The depreciated value of the electrical equipment replaced, calculated according to the method established in Schedule III, on condition that the transformers
 - (i) were installed before April 15, 1987 or after April 1, 2008, unless Hydro-Québec has sent a written notice to the customer specifying that the installations were to be designed to receive 25 kV and another voltage; and,
 - (ii) cannot be used to receive electricity at 25 kV; and
 - (iii) will no longer be used after the voltage conversion.

SCHEDULE VI (S. 17.1)

Calculation Of Cost Of Work

Line		Overhead	Underground	
			Electrical work	Civil work
LABOUR AND EQUIPMENT				
1	Labour and equipment needed to carry out the work and transportation of labour	Costs in effect	Costs in effect	—
GOODS AND SERVICES				
2	Acquisition of goods and services supplied by third parties needed to carry out the work	Costs in effect	—	Estimated costs
3	Acquisition fee	Rate established in Electricity Rates multiplied by line 2	—	Rate established in Electricity Rates multiplied by line 2
4	Contract management fee	Rate established in Electricity Rates multiplied by line 2	—	Rate established in Electricity Rates multiplied by line 2
5	Total labour, equipment, goods and services	Sum of lines 1 to 4	Sum of lines 1 to 4	Sum of lines 1 to 4
MATERIALS				
6	Materials needed for power line construction	Costs in effect	Costs in effect	Costs in effect
7	Acquisition fee	Rate established in Electricity Rates multiplied by line 6	Rate established in Electricity Rates multiplied by line 6	Rate established in Electricity Rates multiplied by line 6
8	Materials management fee	Rate established in Electricity Rates multiplied by line 6	Rate established in Electricity Rates multiplied by line 6	Rate established in Electricity Rates multiplied by line 6
9	Minor materials fee	Rate established in Electricity Rates multiplied by line 6	Rate established in Electricity Rates multiplied by line 6	Rate established in Electricity Rates multiplied by line 6
10	Total materials	Sum of lines 6 to 9	Sum of lines 6 to 9	Sum of lines 6 to 9

Line		Overhead	Underground	
			Electrical work	Civil work
MATÉRIAUX (CONT'D)				
11	Total labour, equipment, goods, services and materials	Sum of lines 5 and 10	Sum of lines 5 and 10	Sum of lines 5 and 10
12	Provision for reinvestment at end of useful life	—	Rate established in Electricity Rates multiplied by line 11	—
13	Engineering and applications management fee	Rate established in Electricity Rates multiplied by line 11	Rate established in Electricity Rates multiplied by the sum of lines 11 and 12	Rate established in Electricity Rates multiplied by line 11
14	Provision for future operation and maintenance	Rate established in Electricity Rates multiplied by line 11	Rate established in Electricity Rates multiplied by line 11	—
15	Sub-total of cost of work	Sum of lines 11 to 14	Sum of lines 11 to 14	Sum of lines 11 to 14
SERVITUDES				
16	Acquisition of servitudes	Estimated costs	Estimated costs	Estimated costs
17	Engineering and applications management fee	Rate established in Electricity Rates multiplied by line 16	Rate established in Electricity Rates multiplied by line 16	Rate established in Electricity Rates multiplied by line 16
18	Total servitudes	Sum of lines 16 to 17	Sum of lines 16 to 17	Sum of lines 16 to 17
19	Total cost of work	Sum of lines 15 and 18	Sum of lines 15 and 18	Sum of lines 15 and 18

SCHEDULE VII (S. 11.10 and 11.13)

Credit Risk Management For Large-Power Customers

1. Risk level based on credit ratings assigned to large-power customers

1	2	3	4	5
RATING SOURCE	VERY LOW-RISK	LOW-RISK	RISKY	HIGH-RISK
Standard & Poor's	AAA to A-	BBB+ to BB-	B+ to CC-	C+ to D
Moody's	Aaa to A3	Baa1 to Ba3	B1 to Ca	C to D
Hydro-Québec	A	B	C	D

2. Scorecard used by Hydro-Québec to determine credit rating of large-power customers

2.1 Definitions

The definitions below apply to Division 2.2 of this schedule.

Operating efficiency ratios (quantitative)

- Profit margin ratio as a percentage of sales (TTM: Trailing twelve months)
Gross profit margin, less cost of sales, overhead and administration, as a percentage of sales.
- Decline in market capitalization (36 months)
Percentage change in common stock price in last 36 months preceding analysis.
- CRM (Credit Risk Monitor) rating (Z score)
The Z score, which is calculated on the basis of several accounting and financial ratios, indicates a company's risk of default.
- CRM category
The CRM database compiles all financial statements for public companies internationally. The Distributor uses the CRM category as an industry benchmark to rank the customer in relation to its international competitors.

Liquidity ratios (quantitative)

5. Working capital ratio

Current assets divided by current liabilities. Used to assess a company's ability to meet its financial obligations over the next twelve months.

6. Interest coverage ratio (TTM)

EBITDA/finance charges:

- EBITDA – Earnings before interest, taxes, depreciation and amortization.
- Finance charges – Interest on current and long-term debt.

Debt ratios (quantitative)

7. Total debt/tangible net worth

Total debt – Current and long-term contractual liabilities, excluding suppliers, plus long-term capital leases.

Tangible net worth – Net worth less intangible assets.

8. Total debt/EBITDA (TTM)

See above.

9. Total debt/operational liquidity less capital expenditures (TTM)

Total debt – See above.

Operational liquidity – Liquidity generated from operations, as shown in cash-flow statement.

Capital expenditures – Investment in fixed assets.

Other considerations (qualitative)

10. Qualitative Elements

- Fulfilment of obligations under short and long-term banking arrangements.
- Legal suits, commitments and contingencies.
- Verification of legal liens related to client's assets.
- Going concern status – Client.
- Going concern status – Related Entities.
- Insolvency – Client.
- Insolvency – Related Entities.

2.2 Criteria for assessing credit risk of large-power customer

Points allocated for each criterion on scorecard				
	1 point	2 points	3 points	4 points
OPERATING EFFICIENCY RATIOS				
1 Profit margin as percentage of sales (TTM: Trailing Twelve Months)	13% or over	4.00%–12.99%	1.00%–3.99%	under 1.00%
2 Decline in market capitalization (%)	under 25%	25%–49.99%	50%–74.99%	75% or over
3 CRM rating (Z-score)	4.00 or over	2.60–3.99	1.10–2.59	under 1.10
4 CRM category	first quartile	second quartile	third quartile	last quartile
LIQUIDITY RATIOS				
5 Working capital ratio	3.80:1 or more	2.0–3.79:1	1.40–1.99:1	under 1.40:1
6 Interest coverage ratio (TTM)	10.0:1 or more	2.50–9.99:1	1.5–2.49:1	under 1.5:1
DEBT RATIOS				
7 Total debt/tangible net worth	under 0.16:1	0.16–0.50:1	0.51–1.50:1	over 1.5:1
8 Total debt/EBITDA (TTM)	under 2:1	2.0–3.99:1	4.0–5.00:1	over 5.0:1
9 Total debt/operational liquidity less capital expenditures (TTM)	under 5:1	5–9.99:1	10.0–14.99:1	15.0:1 or more
OTHER CONSIDERATIONS (QUALITATIVE) (0 to 5 points per element according to severity of the situation)				
10 Qualitative Elements	<ul style="list-style-type: none"> • Fulfilment of obligations under short and long-term banking arrangements • Legal suits, commitments and contingencies • Verification of legal liens related to client's assets • Going concern status – Client • Going concern status – Related Entities • Insolvency – Client • Insolvency – Related Entities 			

Hydro-Québec rating based on customer's total score*				
	A	B	C	D
PUBLIC COMPANIES	9–19	20–28	29–35	36 or over
PRIVATE COMPANIES	6–13	14–19	20–23	24 or over

* Score associated with each rating depends on whether a company is public or private. Criteria 2, 3 and 4 are not available for private companies.

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B.C. HYDRO
Electric Tariff Supplement No. 5

1

First Revision of Page 1
Effective: 7 October 1998

AGREEMENT FOR CUSTOMERS TAKING ELECTRICITY UNDER SCHEDULE 1821

THIS ELECTRICITY SUPPLY AGREEMENT, made as of

the _____ day of _____, 19____

for _____.

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY,
having its head office at 333 Dunsmuir Street, |c
Vancouver, British Columbia

(herein called "B.C. Hydro")

OF THE FIRST PART

AND:

having an office in British Columbia at

(herein called the "Customer")

OF THE SECOND PART

WITNESSES THAT the parties declare and agree as follows:

Accepted for filing: **NOV 27 1998**
Effective: **OCT 07 1998**
Order No.: **G-89-1998**



SECRETARY
B.C. UTILITIES COMMISSION

B.C. HYDRO
Electric Tariff Supplement No. 5

2

First Revision of Page 2
Effective: 7 October 1998

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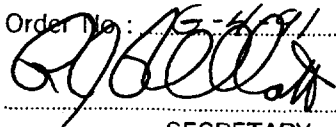
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GENERAL DEFINITIONS

1. In this Agreement:

- (a) "Billing Demand" means the kV.A Demand used for billing purposes, all in accordance with the provisions of Schedule 1821;
- (b) "Billing Period" means a period of from 27 to 35 consecutive days between two regular meter readings and there shall be not less than 12 Billing Periods in any period of 52 consecutive weeks. Following the installation of suitable metering, the Billing Period will be a calendar month Billing Period from 0800 hours local time, at the Customer's Plant, on the first day of the calendar month to 0800 hours on the first day of the following calendar month, provided that the Billing Period may be varied by agreement between B.C. Hydro and the Customer;
- (c) "B.C. Hydro's Guide" means the guide prepared by B.C. Hydro and titled "Guide & Requirements for Service at 69,000 to 287,000 volts", as amended or replaced from time to time;
- (d) "Contract Demand" is the kV.A Demand which B.C. Hydro is obligated to supply under this Agreement as specified in clause 6;
- (e) "Customer's Plant" means _____;
- (f) "Electricity" means electrical power and electrical energy. Power is measured and expressed in kilowatts (kW) or kilovolt-amperes (kV.A) and energy is measured and expressed in kilowatt-hours (kW.h);
- (g) "Endangerment or Interference" has the meaning set out in clause 19.
- (h) "Force Majeure" has the meaning set out in clause 16.

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B.C. HYDRO
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- (i) "kV.A Demand" means the power demand of the Customer's Plant, determined over a time interval of 30 consecutive minutes and reduced to the next lowest whole number of kV.A;
- (j) "Maximum kV.A Demand" means the kV.A Demand which is the greater of:
- (i) 85 percent of the Contract Demand as set out in subclause 6(a); or
 - (ii) the highest kV.A Demand previously established at the Customer's Plant during the 47 Billing Periods immediately preceding, or the lesser number that the Customer's Plant has been in operation excluding the initial 4 Billing Periods immediately following the Customer's Plant start-up date;
- (k) "Point of Delivery" means _____
_____;
- (l) "Point of Metering" means _____
_____;
- (m) "Power Factor" means the ratio, expressed as a percentage, of kW to kV.A when both are measured simultaneously over a specified time interval;
- (n) "Schedule 1821" means Schedule 1821, General Service - Transmission of the B.C. Hydro Electric Tariff as amended or replaced from time to time, filed as required by the Utilities Commission Act, S.B.C. 1980, c. 60; c
- (o) "Schedule 1880" means Schedule 1880, General Service - Transmission - Emergency, Maintenance and Special Supply of the B.C. Hydro Electric Tariff as amended or replaced from time to time, filed as required by the Utilities Commission Act, S.B.C. 1980, c. 60; c
- (p) "Strike" means a strike as defined in the Industrial Relations Act, R.S.B.C. 1979, c. 212; and

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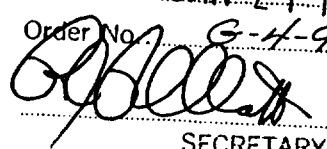
- (q) "Unlawful Industrial Action" means an unlawful industrial action as defined in the Industrial Relations Act, R.S.B.C. 1979, c. 212.

BASIC OBLIGATIONS

- 2.(a) B.C. Hydro will supply Electricity to the Customer up to the Contract Demand at the Point of Delivery and the Customer will pay for Electricity, all in accordance with the provisions of this Agreement which incorporates, by reference, Schedule 1821 and the Appendix containing provisions respecting transmission extensions and the site specific matters.
- (b) B.C. Hydro may also supply additional Electricity for emergency, maintenance and special supply purposes to the Customer at the Point of Delivery and the Customer will pay for such Electricity, all in accordance with the provisions of this Agreement which incorporates, by reference, Schedule 1880.
- (c) Schedule 1821 and Schedule 1880 are attached as Schedules to this Agreement and B.C. Hydro will provide to the Customer a copy of all amendments or replacements to such schedules.

COMMENCEMENT DATE

3. (a) The "Commencement Date" is the date upon which B.C. Hydro will be willing and able to supply Electricity to the Customer, for the Customer's Plant, at the Point of Delivery. It is also the date upon which the Billing Periods for the Customer will commence and upon which the obligation to pay for Electricity will commence.
- (b) The Commencement Date shall be _____ unless otherwise agreed or suspended by Force Majeure.

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SECRETARY
B.C. UTILITIES COMMISSION

TERM OF AGREEMENT

4. (a) Unless otherwise provided for by this Agreement, this Agreement shall be in force for an initial term of _____ from the Commencement Date and, unless terminated at the end of the initial term, shall extend until terminated in accordance with this Agreement.
- (b) Either party shall give the other party not less than 6 months notice if it intends to terminate the Agreement at the end of the initial term or thereafter and upon expiration of the notice period, this Agreement shall terminate.

FREQUENCY, VOLTAGE

5. (a) The Electricity to be supplied by B.C. Hydro at the Point of Delivery shall be three phase alternating current, at a frequency of 60 Hz +/- 0.1 Hz.
- (b) If and when the Customer is maintaining the Power Factor required by this Agreement and the Customer's Plant is operating at or above 75 percent of Contract Demand then the service voltage shall be within +/- _____ percent of _____ volts under B.C. Hydro system normal operating conditions. Short term variations of the service voltage may occur due to sudden load changes or as a result of system contingency or emergency situations.
- (c) If and when the frequency and voltage at the Point of Delivery are within the limits set out in subclauses (a) and (b) then B.C. Hydro shall be deemed to be willing and able to supply Electricity to the Customer's Plant.

In the event that the service voltage is normally at or near the lower or upper limits of the range set out in subclause (b) and is impairing the operations of the Customer, B.C. Hydro and the Customer agree to take such action as may reasonably be required to relieve the impairment.

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B.C. UTILITIES COMMISSION

- (d) If and when the frequency or voltage, or both, are outside the above limits then such occurrences shall be deemed to be a suspension in the supply of Electricity to the Customer's Plant unless the Customer continues to take Electricity.

CONTRACT DEMAND, INCREASES IN kV.A DEMAND

6. (a) The Contract Demand under this Agreement is _____ kV.A. The Customer shall not exceed the Contract Demand without the prior approval of B.C. Hydro.

The Customer may nominate an increase in the Contract Demand and, subject always to B.C. Hydro's ability to supply, B.C. Hydro shall not unreasonably refuse to permit the nominated increase provided that any such increase is subject to Appendix 1 of Electric Tariff Supplement No. 6 Provisions Respecting System Reinforcement and Transmission Extension Policies for Permanent Service.

- (b) The Customer may increase its Maximum kV.A Demand within the limit of the Contract Demand, over any period of 12 consecutive months by the amounts hereinafter set forth:

- (i) For an amount less than _____ kV.A no notice is required; and

- (ii) For an amount greater than _____ kV.A notice from the Customer to B.C. Hydro is required and B.C. Hydro shall identify the date when such an increase can commence, which will depend on work that may be required on the B.C. Hydro electrical system to facilitate the supply of the increase requested.

- (c) Subject to B.C. Hydro being willing and able to supply the increased Maximum kV.A Demand, the minimum Billing Demand during the 12 Billing Periods immediately following the effective date identified by B.C. Hydro pursuant to subclause 6(b) shall be 75 percent of the sum of:

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- (i) the increase specified in the request; and
- (ii) the highest Billing Demand for the Customer's Plant in the immediately preceding period of November to February, both months included.

CUSTOMER'S PROTECTIVE AND CONTROL EQUIPMENT AND OTHER DEVICES

7. (a) In accordance with the technical requirements set out in B.C. Hydro's Guide, the Customer, at its cost, will supply, install, operate and maintain in good working order all protective and control equipment to isolate the Customer's Plant and to interrupt fault current from the B.C. Hydro electrical system and, when applicable, fault current from the Customer's Plant. B.C. Hydro may refuse to supply Electricity to the Customer or suspend the same at any time if, in B.C. Hydro's judgment, the equipment is not compatible with or not suitable for the B.C. Hydro electrical system.
- (b) B.C. Hydro may from time to time make tests of such protective and control equipment at the Customer's Plant.
- (c) The Customer shall inform B.C. Hydro of the type, ratings or settings of such protective and control equipment at the Customer's Plant and B.C. Hydro shall have the right to accept or reject such type, ratings or settings. The Customer shall not change the type, ratings or settings without obtaining, in advance, the acceptance, in writing, of B.C. Hydro and in the event that the settings are changed the Customer shall promptly advise B.C. Hydro in writing of the change.
- (d) Any judgment by B.C. Hydro, its servants or agents in connection with the protective and control equipment at the Customer's Plant shall not be interpreted by the Customer or others as an endorsement of the design or as a warranty by B.C. Hydro, its servants or agents of the safety, durability or reliability of the devices.

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- (e) The initial three-phase symmetrical fault contribution at _____ kV from the B.C. Hydro electrical system, when operating normally, at the Point of Delivery shall be not less than _____ MV.A. The ultimate three-phase symmetrical fault contribution from the B.C. Hydro electrical system shall not exceed _____ MV.A.
- (f) Unless otherwise agreed, the Customer shall not install any equipment or device whatsoever on the B.C. Hydro electrical system.

POWER FACTOR

8. (a) If and when the kV.A Demand of the Customer's Plant is greater than 75 percent of the Maximum kV.A Demand, the Customer shall make all reasonable efforts to ensure that the Power Factor at the Point of Delivery measured over an interval of 5 minutes is not:

- [- "less than _____ percent lagging"; or
- "lagging"; or
- "lagging or more than _____ percent leading"; or
- "less than _____ percent lagging or more than _____ percent leading".]

(one only of the above on a site specific basis)

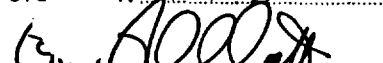
- (b) In the event that the Customer fails to maintain the Power Factor specified under subclause 8(a), and such failure results in an operational problem for B.C. Hydro, then B.C. Hydro may, in addition to any other remedies it has under subclause 8(c) or any other provision of this Agreement, require the Customer to reduce load if necessary to maintain the integrity of its system or portions thereof.

- (c) B.C. Hydro shall advise the Customer in writing of particulars of a specific operational problem caused by the Customer's failure to maintain the specified Power Factor and shall provide an estimate of B.C. Hydro's costs to accommodate the Power Factor deviation and provide 15 days for the Customer to initiate corrective action. If required, B.C. Hydro shall consult with the Customer

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to determine the cause of the failure to maintain the specified Power Factor and to discuss possible remedies. Following such advice or consultation, if the Customer does not commence to take all reasonable action to achieve the specified Power Factor within 15 days, then B.C. Hydro may initiate any necessary alterations to its system and the Customer shall pay to B.C. Hydro the cost of any such work within 15 days of receipt of the bill.

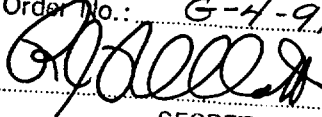
- (d) If the specified Power Factor is less than 95 percent lagging the Customer will undertake reasonable investigations and appropriate action to improve its Power Factor over time.

NOTICES

9. (a) Unless otherwise provided for by this Agreement, a notice, consent, request, demand, statement or bill that either party may be required or may desire to give to the other party shall be in writing and shall be deemed to be given to and received by the addressee on the business day next following when it is delivered by hand, by courier, by telex, or by facsimile copier, and is deemed to be given when received if delivered by prepaid mail at the address that each party shall give notice of from time to time.

- (b) The address that B.C. Hydro gives notice of is:

- (c) The address that the Customer gives notice of is:

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BILLING, PAYMENT OF ACCOUNTS

10. (a) B.C. Hydro will provide bills, including advance bills at the election of the Customer, from time to time to the Customer for each Billing Period for Electricity and for any other amount as it becomes owing to B.C. Hydro under this Agreement but failure to provide a bill, or a correct bill, shall not release the Customer from liability for payment of any amount.

(b) Each bill shall become due one business day after being delivered to the Customer and in the case of bills other than advance bills shall become overdue if it is unpaid, in whole or in part, by the Customer 15 days from the day the bill is due. Advance bills shall become overdue 55 days from the day the bill is due.

(c) The Customer will, by electronic funds transfer or other method as agreed to in advance by B.C. Hydro, pay to B.C. Hydro's General Bank Account the amount shown on each bill, without setoff or withholding, at par in Canadian funds before such bill becomes overdue.

(d) Any unpaid amount of any overdue bill shall be subject to interest at the rate of interest which is equal to the annual rate of interest declared from time to time by the lead chartered bank in Canada used by B.C. Hydro as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus:

(i) 2 percent from the last day of the applicable Billing Period for the first 30 days that the payment remains unpaid and 5 percent thereafter until the same is paid where the Customer has not, during the immediately preceding 6 Billing Periods, failed to make any payment when due hereunder; or

5 percent from the last day of the applicable Billing Period until the payment is made where the Customer has, during the immediately preceding 6 Billing Periods, failed to make any payment when due hereunder.

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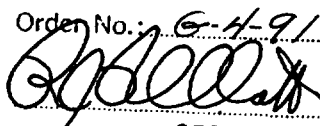
B.C. UTILITIES COMMISSION

- (e) Ten days after giving the Customer notice that a bill is overdue, B.C. Hydro, in lieu of or in addition to any other remedy provided by this Agreement may suspend the supply of Electricity to the Customer until all bills are paid in full and B.C. Hydro's servants or agents may enter the Customer's Plant to undertake such suspension. No such suspension by B.C. Hydro shall relieve the Customer from any provision of this Agreement, including the payment of any amount payable, nor shall suspension be deemed to be a termination of this Agreement and the validity or duration of this Agreement shall be otherwise unaffected.
- (f) B.C. Hydro may appropriate an amount equal to any overdue amount of any bill from a security deposit established by the Customer with B.C. Hydro pursuant to clause 12 of this Agreement if and when any bill or part thereof becomes overdue.

ADVANCE BILLING

11. At any time, the Customer may provide reasonable notice to B.C. Hydro that it has elected to receive from B.C. Hydro and pay, in accordance with clause 10, advance bills for the amount, estimated by B.C. Hydro, to be owing for a future Billing Period by that Customer to B.C. Hydro. Notwithstanding subclause 10(b), any advance bill shall be due 10 days prior to the first day of the future Billing Period and is late if it is unpaid, in whole or in part, by the Customer 10 days from the day the advance bill is due. Provided that the Customer does not allow the advance bill to become late, B.C. Hydro will entitle the Customer to a discount on the amount estimated by B.C. Hydro to be owing. The discount shall be equal to the interest payable on the said amount over a 45 day period at the simple rate of interest payable on January 1, April 1, July 1 or October 1, whichever is most recent to the Billing Period, for 30-day Government of Canada Treasury Bills for the denomination of \$100,000.00. All amounts paid under the advance billing and payment plan shall be subject to adjustment in the following Billing Period to fully and properly reflect the actual amount owing for the advance Billing Period.

The Customer may, subject to clause 12, upon reasonable notice to B.C. Hydro, elect to return to B.C. Hydro for billing: APR 11 1991
regular billing procedures set out in clause 10. Effective: JAN 21 1991

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SECURITY DEPOSITS

12. (a) If:

- (i) the Customer has not maintained an account with B.C. Hydro for the purchase of Electricity under Schedule 1821 for the immediately preceding two years;
- (ii) the Customer, at any time, has permitted any account under this Agreement to become overdue and has not supplied information which reasonably satisfies B.C. Hydro that the Customer is creditworthy; or
- (iii) B.C. Hydro is not satisfied, on a reasonable basis, that the Customer is creditworthy;

then, after B.C. Hydro has provided the Customer with a written statement, which either indicates that an account has not been maintained for two years or which sets out the reasons for not accepting that the Customer is creditworthy, the Customer shall choose one of the options set out in subclause 12(b).

(b) The three options available to a Customer in the circumstances set out in subclause 12(a) are as follows:

- (i) to commence and maintain payments on a current basis pursuant to the advance billing and payment plan established by B.C. Hydro as described in clause 11, provided that this option shall not be available if the Customer has previously participated in the said plan and, in so doing, has made a late payment to B.C. Hydro;
- (ii) to supply certified statements showing a two year projection of the Customer's operating revenues and expenses and, where applicable, certified financial statements for the three years immediately preceding including notes as to the basic assumptions used, all of which statements B.C. Hydro agrees to hold in confidence; or

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to establish and maintain with B.C. Hydro a security deposit as described in subclause 12(d).

(c) If, on the basis of reasonable criteria used in evaluating the certified statements referenced in subclause 12(b)(ii), B.C. Hydro is not satisfied as to the creditworthiness of the Customer, then the Customer shall either:

(i) commence and maintain payments on a current basis pursuant to the advance billing and payment plan established by B.C. Hydro as described in clause 11, provided that this option shall not be available if the Customer has previously participated in the said plan and, in so doing, has made a late payment to B.C. Hydro; or

(ii) establish and maintain with B.C. Hydro a security deposit as described in subclause 12(d).

(d) A security deposit shall be in an amount equal to two times the Customer's normal bill, as estimated by B.C. Hydro for a Billing Period, and it shall be in a form which has the prior approval of B.C. Hydro. This may include:

(i) irrevocable letter of credit;

(ii) contract bond;

(iii) guarantee by a corporation other than the Customer;

(iv) bank term deposit, to be deposited in trust for B.C. Hydro; or

(v) negotiable bearer bond, that is government guaranteed at face value.

(e) Any security deposit will be returned to the Customer, or released to the guarantor, as appropriate, when the conditions requiring security no longer exist.

(f) If all or part of any bill becomes overdue, then B.C. Hydro may appropriate all or any part of any security deposit towards payment of such bill and thereupon the Customer's right to such security, or any part of that security so appropriated, shall terminate.

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- (g) B.C. Hydro will not pay interest on any security deposit held by it. The Customer may arrange with its bank to pay any interest earned on a bank term deposit, deposited in trust for B.C. Hydro, directly to the Customer's account.

METERING

13. (a) Determination, directly or indirectly, of the kilovolt-amperes, kilowatt-hours, or other factors or quantities shall be made by B.C. Hydro at the voltage at the Point of Delivery, unless otherwise agreed by B.C. Hydro, by means of meters owned, installed, operated and maintained by B.C. Hydro at the Point of Metering.
- (b) All meters and metering apparatus supplied by B.C. Hydro or the Customer for revenue purposes shall not be moved or removed from the Point of Metering without prior consent of B.C. Hydro.
- (c) The Customer shall act as a prudent owner would and protect the meters and metering apparatus of B.C. Hydro at the Customer's Plant, and will pay to B.C. Hydro the cost of repairing or replacing meters or metering apparatus missing or damaged except to the extent that the Customer can reasonably show that such was missing or damaged due to a defect therein or to an act or omission of B.C. Hydro, its servants or agents.
- (d) B.C. Hydro, but not the Customer, may test, calibrate, remove, install, substitute or otherwise change the revenue metering equipment from time to time at any reasonable time and the Customer may have a representative present at such time.
- (e) The Electricity and Gas Inspection Act, R.S.C. 1985, c.E-4 or re-enactment of the same shall govern metering under this Agreement.

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Notwithstanding any statutory provision to the contrary, should the revenue metering equipment fail to register correctly or for any reason meter readings be unobtainable, the amount of Electricity supplied will be estimated by B.C. Hydro from the

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best information available, including the Customer's records, if any, during the Billing Period in question and such estimate, except in the case of manifest error, shall for billing purposes have the same force and effect as an exact meter reading.

- (g) Further technical requirements in connection with metering are set out in B.C. Hydro's Guide.

B.C. HYDRO'S EQUIPMENT & DEVICES & ACCESS TO CUSTOMER'S PLANT

14. (a) B.C. Hydro may install at its cost at the Customer's Plant any equipment or device which, in B.C. Hydro's judgment, is required for B.C. Hydro use or convenience in exercising its rights, or carrying out its obligations under this Agreement and all such equipment or devices, whether affixed or otherwise, by B.C. Hydro at the Customer's Plant shall remain the property of B.C. Hydro.

- (b) To the extent that it may be necessary, the Customer hereby grants to B.C. Hydro, its servants or agents, for the initial term, any extension, and a reasonable time thereafter, the free and uninterrupted right to enter the Customer's Plant for any purpose related to this Agreement.

- (c) The rights hereby granted to B.C. Hydro shall be exercised subject to prior notification and to any reasonable requirement of the Customer necessary for the safety or security of the Customer's Plant and employees or for continuity of the Customer's operations.

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- (d) Nothing contained in this clause shall impair the right of B.C. Hydro to terminate service pursuant to this Agreement.

REMOVAL OF EQUIPMENT AND DEVICES

15. Upon termination of this Agreement, each party shall remove within 90 days of receipt of a written request by the other party, all of its plant and equipment from the other's lands and premises, except those which are located by B.C. Hydro on a Right-of-Way granted by the Customer to B.C. Hydro.

FORCE MAJEURE

16. (a) In this Agreement, the term Force Majeure includes but is not limited to Strikes, legal lockouts, other labour disturbances (including exercises of non-affiliation rights but excluding illegal lockouts), fire, flood, accidents, tempest or acts of God, sabotage or acts of the Queen's enemies, acts or failure to act by lawful authority or any other cause whatsoever beyond the reasonable control of the parties, provided that in no event shall lack of finances, loss of markets or inability to perform due to the financial condition of either party constitute Force Majeure.

(b) Where expressly provided for by this Agreement, and subject to subclause 18(d), if either party is or was wholly or partly unable, because of a Force Majeure, to perform an obligation and claims that a Force Majeure is occurring or has occurred and reasonably establishes that fact, then the performance of the obligation shall be deemed to be suspended provided always that:

(i) the suspension shall be of no greater scope and no longer duration than the Force Majeure; and

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(ii) the non-performing party shall use all reasonable efforts to counter the Force Majeure or to otherwise remedy its inability to perform the obligation.

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SUSPENSION OF SUPPLY

17. (a) B.C. Hydro may, without notice to the Customer, suspend the supply of Electricity to the Customer for the purpose of protecting against harm to human life or property of any person.

(b) B.C. Hydro may, without notice to the Customer, deliberately or unintentionally suspend the supply of Electricity to the Customer in the event of a breakdown or failure of any component of B.C. Hydro's electrical system or an event for which B.C. Hydro could claim Force Majeure pursuant to clause 16.

- (c) At any time in the event of a shortage of Electricity whether actual or apprehended by B.C. Hydro, B.C. Hydro may request that the Customer suspend or reduce its taking of Electricity at the

Point of Delivery but if the Customer does not so suspend or reduce then B.C. Hydro may suspend or reduce the supply of Electricity to the Customer. B.C. Hydro will make all reasonable efforts to give notice, in writing or otherwise, and to treat alike all Customers under substantially similar circumstances and conditions of service of the same description.

- (d) B.C. Hydro may, after notice to the Customer in writing or otherwise, suspend the supply of Electricity to the Customer for the purpose of maintaining and making repairs, renewals, extensions or replacements to B.C. Hydro's electrical system. All such suspensions shall be of the shortest duration reasonably possible and, whenever reasonably possible, after taking into account Customer requirements and impacts, shall be arranged to occur at a time least objectionable to the Customer.

- (e) Nothing in this clause shall restrict B.C. Hydro's right to discontinue, suspend or reduce the supply of Electricity to the Customer in accordance with other provisions of this Agreement.

BILLING ADJUSTMENTS

18. (a) If the Customer claims and reasonably establishes to B.C. Hydro that there has been a reduction in the taking of Electricity by the Customer, as a result of a cause expressly stated in this clause then B.C. Hydro shall make the adjustments, herein called the "Billing Adjustments", set out below. The Customer may elect to have Billing Adjustments based upon a lesser period than the total period during which it has been forced to reduce the taking of Electricity and, should the Customer so elect, the Billing Adjustments set out below will be calculated in accordance with the lesser period and the mean value of kV.A during that period. Billing Adjustments shall only be made in calculating a bill for the Billing Period when the reduction is occurring or has occurred.

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- (b) The kV.A Demand applicable to the time when the reduction is occurring or has occurred shall be deemed to be:

$$BD_R = \frac{K}{LF}$$

where:

BD_R = the reduced Billing Demand

K = the mean value of kV.A during such time; and

LF = the load factor at which the Customer took Electricity in the immediately prior Billing Period when the taking or supply of Electricity was not reduced.

- (c) If the time over which the reduction is occurring or has occurred is less than the whole of the Billing Period, then:

- (i) the Demand Charge applicable to such time shall be:

$$\text{Demand Charge} = BD_R \times R \times \frac{H}{H_{BP}}$$

where:

BD_R = the reduced Billing Demand as above;

R = the Demand Charge set out in Schedule 1821;

H = the number of half-hour intervals during such time; and

H_{BP} = the number of half-hour intervals during the Billing Period; and

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- (ii) the Demand Charge applicable to the balance of the Billing Period shall be:

$$\text{Demand Charge} = \text{BD}_N \times R \times \frac{(\text{H}_{\text{BP}} - H)}{\text{H}_{\text{BP}}}$$

where BD_N = the Billing Demand and

R, H and H_{BP} have the meanings given above.

- (d) A suspension, pursuant to clause 16, for more than 4 consecutive hours shall be cause for Billing Adjustments to be made by B.C. Hydro, except that in the case of the Strikes, legal lockouts, and other labour disturbances (including exercises of non-affiliation rights but excluding illegal lockouts), Billing Adjustments for both causes shall be limited to a collective maximum of 1440 hours in any calendar year. Further, Billing Adjustments for each occurrence of an Unlawful Industrial Action shall not be made if the suspension is for less than twelve (12) consecutive hours and, in any event, the Billing Adjustments for any such occurrence shall be limited to a maximum of five (5) days.
- (e) Unless the Customer continues to take Electricity, a frequency or voltage, or both, for more than 1 hour outside the limits established in clause 5 shall be cause for Billing Adjustments to be made by B.C. Hydro.
- (f) A suspension or reduction, pursuant to clause 17, for more than 1 hour shall be cause for Billing Adjustments to be made by B.C. Hydro.
- (g) A suspension or discontinuance pursuant to clause 10 or suspension pursuant to clause 19 shall not be cause for Billing Adjustments to be made by B.C. Hydro.

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In addition to the Billing Adjustments set out above, B.C. Hydro may, in its judgment, make other Billing Adjustments from time to time so as to decrease the bills for the Customer's Plant to reflect unusual or unanticipated conditions or events in such plant.

ENDANGERMENT, INTERFERENCE

19. (a) "Endangerment or Interference" includes:

- (i) the introduction of harmonics into B.C. Hydro's electrical system;
- (ii) the creation of undue and abnormal voltage fluctuations on B.C. Hydro's system;
- (iii) the depression or elevation of the voltage level on B.C. Hydro's system below or above the voltage range provided by B.C. Hydro to the Customer for Electricity supplied under normal operating conditions; and
- (iv) the creation of an undue voltage imbalance between phases.

Normal standards for subclauses (i) to (iv) are provided in B.C. Hydro's Guide.

(b) The Customer shall make its best efforts to take or use Electricity so as not to cause an Endangerment or Interference with the B.C. Hydro electrical system, or in connection with Electricity supplied to any other Customer of B.C. Hydro, but if such occurs then:

(i) B.C. Hydro may require the Customer, at the Customer's cost, to take corrective action including the provision of corrective equipment; or

if, in the judgment of B.C. Hydro, the Endangerment or Interference is critical then B.C. Hydro may, without notice to the Customer, suspend the supply of Electricity until the Customer takes corrective action.

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PARALLEL OPERATION

20. The Customer may operate an electrical generating plant, at the Customer's Plant, connected to the B.C. Hydro electrical system, provided always that the Customer provides notice to B.C. Hydro reasonably in advance of

parallel operation of such plant, and provided always that:


- (a) the Customer shall install in advance, at its cost, on its electrical system the protective and control equipment required, including that required in the judgment of B.C. Hydro;
- (b) the Customer shall pay in advance to B.C. Hydro the cost of the protective and control equipment required, in the judgment of B.C. Hydro, on the B.C. Hydro electrical system and this equipment shall be the property of B.C. Hydro and shall remain so upon termination of this Agreement unless the Customer pays to B.C. Hydro the costs of adapting the system to operate without that equipment; and
- (c) the Customer shall follow operating orders or guidelines established by B.C. Hydro and provided to the Customer from time to time for parallel operation.

CONNECTIONS

- 21. Except as provided for by local operating order or by operation of a switching device, connections to or disconnections from B.C. Hydro's electrical system shall be made only by B.C. Hydro's servants or agents or such other persons as B.C. Hydro may specifically authorize or permit.

NON-WAIVER

- 22. No failure by B.C. Hydro or the Customer at any time or from time to time to enforce or require a strict observance or performance of any of the provisions of this Agreement shall constitute a waiver of such provisions or affect or impair such provisions or the right of B.C. Hydro or the Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

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LIABILITY, INDEMNITY, LIMITATIONS AND REQUIREMENTS FOR NOTICE

23. (a) B.C. Hydro does not warrant a continuous supply of Electricity or the maintenance of unvaried frequency or voltage and B.C. Hydro, its servants or agents, shall not be liable to the Customer for any loss, injury, damage or expense of the Customer caused by or resulting from any suspension, discontinuance or defect in the supply of Electricity, alleged or caused by an act or omission of B.C. Hydro, its servants or agents, except for direct loss or damage to the physical property of the Customer resulting from wilful misconduct or negligent acts or omissions by B.C. Hydro, its servants or agents.

For greater certainty, it is agreed that "direct loss or damage to the physical property of the Customer" shall not include inconvenience, mental anguish, loss of profits, loss of earnings or any other indirect or consequential loss. It is further agreed that the duty of care imposed upon B.C. Hydro will be the common law duty of care imposed upon a municipality or other government agency. It is also further agreed that B.C. Hydro shall not be liable for direct loss or damage which could have been prevented, in whole or in part, if the Customer had taken reasonable protective measures.

It is also further agreed that B.C. Hydro shall not be liable under this subclause unless the Customer has given notice to B.C. Hydro of a potential claim within 7 days of when the Customer knew or ought to have known of the alleged direct loss or damage.

- (b) The liability of B.C. Hydro under subclause 23(a) applies only when the direct loss or damage to the Customer arising from a single occurrence exceeds the sum of \$10,000.00. In no event shall the liability of B.C. Hydro exceed the sum of \$1,000,000.00 for any single occurrence.

- (c) B.C. Hydro shall indemnify the Customer from all liabilities for claims, demands, suits, losses or damages brought against the Customer arising out of damage to property or injury to persons resulting from wilful misconduct or negligent acts or omissions by B.C. Hydro, its servants or agents, if and when they enter the Customer's Plant.

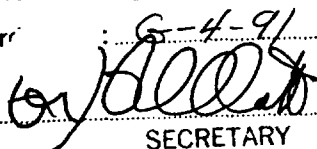
Accepted for filing:

APR 11 1991

Effective:

JAN 21 1991

By:


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B.C. UTILITIES COMMISSION

RESALE OF ELECTRICITY

24. The Customer shall not sell, or otherwise dispose of for compensation, all or part of the Electricity supplied pursuant to this Agreement to any other person directly or indirectly without prior authorization from the British Columbia Utilities Commission and notice to B.C. Hydro.

ACTION ON DEFAULT

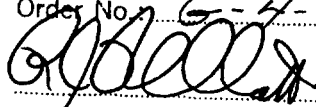
25. Subject to other provisions of this Agreement, if the Customer fails at any time in the performance of its obligations under clauses 20 or 21 or subclauses 6(a), 6(b), 7(c), 7(f), 13(b), 13(c), 13(d) or 14(b) and does not, within 30 days after B.C. Hydro has given to it notice of such failure, commence to remedy with due diligence, and thereafter continue to remedy the matter in which it is in default, B.C. Hydro may, without terminating this Agreement, after the expiry of 5 days' notice given to the Customer by B.C. Hydro of its intention to do so, and without liability therefor, discontinue the supply of Electricity to the Customer, but no such discontinuance shall relieve the Customer from any obligation under this Agreement. B.C. Hydro shall not be obliged to resume the supply of Electricity to the Customer until such failure shall have been remedied.

SUCCESSORS, ASSIGNS

26. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns, provided, however, that this Agreement shall not be transferred or assigned by the Customer without prior consent of B.C. Hydro, which consent shall not be unreasonably withheld.

HEADINGS

27. The headings in this Agreement are provided for convenience only and shall not be used to interpret the Agreement.

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B.C. UTILITIES COMMISSION

PRIOR AGREEMENTS

28. All prior agreements for supply of Electricity by B.C. Hydro to the Customer at the Point of Delivery are terminated as of the Commencement Date, subject to entitlements or obligations, then accrued or incurred, of both parties.

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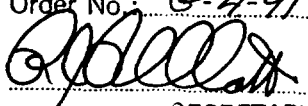
29. (a) This Agreement shall be construed in accordance with the laws of the Province of British Columbia.
- (b) B.C. Hydro and the Customer will promptly comply with all relevant laws and regulations and the relevant orders, rules and requirements of all authorities having jurisdiction.

IN WITNESS WHEREOF the duly authorized representative of each party has executed this Agreement. [If the Customer is a joint venture or partnership, then this Agreement shall be executed and sealed by all joint venturers or partners and all declarations and agreements of the Customer shall be deemed to be joint and several.]

BRITISH COLUMBIA HYDRO
AND POWER AUTHORITY

Per:

THE CORPORATE SEAL of the)
Customer, _____)
_____))
_____))
was hereunto affixed in the)
presence of:)
_____))
Authorized Signatory)
_____))
Authorized Signatory)

Accepted for filing: APR 11 1991
C/S Effective: JAN 21 1991
Order No. G-4-91

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Refer to Schedule 1821 in the Electric Tariff, as amended or replaced from time to time. n

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Refer to Schedule 1880 in the Electric Tariff, as amended or replaced
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APPENDIX

Provisions Respecting Transmission Extensions and
Other Site Specific Matters

[This Appendix will contain site specific provisions from agreements in force prior to the Commencement Date of this new standard form Electricity Supply Agreement. This will include, but will not necessarily be limited to, rights and obligations related to existing Transmission Connections and Right-of-Way. In addition, this Appendix may also contain other site specific details related to the supply of Electricity for which no provision was made in this new standard form Electricity Supply Agreement.]

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