

Compliance Plan Filing

Introduction

Pursuant to the Electric Utilities Act, the Code of Conduct Regulation (the “Code”) establishes a code of conduct governing the behaviour of owners of electric distribution systems and their affiliated retailers.

Fortis Inc. completed the transaction to acquire Aquila Inc.’s utility operated in Canada on May 31, 2004. As part of this transaction, Fortis acquired all of the issued and outstanding shares of Aquila Networks Canada (Alberta) Ltd., renamed FortisAlberta Inc. FortisAlberta Inc. (“FortisAlberta”) as an owner of an electric distribution system, authorized EPCOR Energy Services Alberta Inc (“EESAI”) to be its regulated rate provider, and as such EESAI became an affiliated retailer to FortisAlberta. EESAI subsequently transferred its business to EPCOR Energy Alberta Inc. (“EEAI”) effective the 1st day of September, 2004, and EEAI replaced EESAI as an affiliated retailer to FortisAlberta.

Under Section 31(1)(a) of the Code, before an affiliated retailer begins to provide retail electricity services to customers, an affiliated retailer and an owner must each “prepare a compliance plan setting out the systems, policies and mechanisms that each intend to use to ensure that they and their officers, employees, agents and contractors comply with this regulation”.

FortisAlberta hereby submits the following compliance plan (“Plan”), and requests approval thereof by the Market Surveillance Administrator (“MSA”), pursuant to Sections 31(1)(b) and (c) of the Code. Comprising part of the Plan are also the following attachments:

Appendix A – Compliance Plan for Specific Elements of Code

Appendix B – Procedure for Voluntary Resolution of Complaints of Non-Compliance

Appendix C - Training Plan

Appendix D – Website Message to Public

Appendix E – Systems, Mechanisms, Policies and Practices

Appendix F – Compliance Officer Contact Information

This Compliance Plan, as amended from time to time and approved by the MSA, will be posted to FortisAlberta's website.

5 **The Plan**

The following addresses each of the items specified under Section 31(2) of the Code, and along with the attached Appendices, comprises FortisAlberta's Compliance Plan:

10 *(a) in the case of an owner, a list of the owner's affiliated retailers;*

As noted above, in accordance with the definition under Section 2(2)(c), EEAI is FortisAlberta's only affiliated retailer.

15 *(b) the systems, policies and mechanisms in place to ensure compliance with this Regulation;*

20 The key systems, policies and mechanisms that will ensure compliance with the Code are described in Appendix E, and referred to in respect of specific elements of the Code in the table in Appendix A, attached hereto. FortisAlberta senior management, with guidance from the Compliance Officer, will ensure the requirements of the Code and the Plan are fulfilled. The Compliance Officer will be responsible for ensuring all instances of non-compliance are reported to him/her, and will be responsible for ensuring these are dealt with in a satisfactory manner, to prevent future instances of non-compliance. The Compliance Officer will retain records of all such events and actions. Quarterly reports summarizing this information will be submitted to FortisAlberta Board of Directors, and will also be submitted to the MSA.

30 The Training Plan in Appendix C is a key mechanism that will be employed to ensure compliance, which each employee, officer, agent and contractor, will be required to take. A mechanism will be in place to track which employees have not taken the training applicable to them, and FortisAlberta's senior management will be responsible to ensure all employees do so, a minimum of once per year.

The fact that FortisAlberta's rates are EUB regulated, along with the EUB approved Terms and Conditions of Distribution Tariff Services, the Settlement System Code, and EEAI's own Compliance Plan, address the remaining elements of the Code.

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(c) A description of how the owner's officers, employees, agents, and contractors will be informed about this regulation, the compliance plan and their duties and responsibilities.

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FortisAlberta's employees, officers, agents and contractors will be required to take the training described in Appendix C. As well, the Compliance Officer will ensure senior management is aware to the fullest extent of the effect of the Code, the Plan and their duties within them. The training program will require these persons to provide acknowledgement that they have taken the training, and that they have agreed to comply with the Code and the Compliance Plan.

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Ensuring the requirements of the Code and the Plan are fulfilled will fall within the normal duties of FortisAlberta's management.

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In addition, this Compliance Plan, as amended from time to time and approved by the MSA, will be posted to FortisAlberta's website, making it accessible to these individuals as well as other members of the public.

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(d) A description of how compliance with this Regulation and the compliance plan will be internally monitored by the owner or affiliated retailer and how contraventions of this Regulation and the compliance plan will be enforced and internally resolved, including the name or names of the persons accountable for:

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- (i) development of the plan;*
- (ii) implementing and monitoring the plan and recommending changes as required;*
- (iii) internally ensuring compliance with and enforcement of the plan and this regulation;*

Appendix E provides a description of many of the practices, systems and mechanisms FortisAlberta currently employs or will employ in order to ensure and provide assurance to the Compliance Officer and the MSA that FortisAlberta is in compliance with the Code. These include monitoring and corrective mechanisms, as well as how these will be reported/documentated.

The responsibility for FortisAlberta's Compliance Plan under the Code of Conduct Regulation rests with the Compliance Officer, the details of which are provided in Appendix F.

This position shall be accountable for development of the plan, implementing and monitoring the plan and recommending changes as required, and internally ensuring compliance with and enforcement of the plan and this regulation. The Compliance Officer may designate related duties as appropriate. Accordingly, as noted above, FortisAlberta's senior management will be responsible for ensuring compliance by their respective business units. The systems, mechanisms, policies and practices described in Appendix E provide management with many of the tools to do this.

In addition, the Compliance Officer will require quarterly reports from the three business units identified in Appendix E, summarizing all instances of non-compliance (including those discovered by management, and those discovered by way of complaints from either internal or external sources), and the manner in which they have been addressed. These reports will also attest that there was no non-compliance, other than as disclosed. The Compliance Officer will undertake a quarterly review of these reports, as well as the report resulting from FortisAlberta's internal 'non-compliance' report (see last paragraph on this page), and formulate the quarterly reports to the Board of Directors, as well as identifying any actions required in respect of contraventions and preventing them in the future.

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Contraventions will be assessed on a case by case basis, in consideration of the nature, cause and severity of the contravention (please also see Appendix E, for specifics in respect of contact centre practices in this regard).

5 Since a significant element of compliance with the Code will be met by way of the training described in Appendix C, a feature of this training will be a means by which employees will be able and required to report any incidents of non-compliance. Employees will promptly report in writing (including electronically) all incidents of non-compliance, whether arising from external complaints or generated internally, to
10 their immediate manager. Managers will review these reports on a timely basis and appropriately address issues of non-compliance. Reports of non-compliance will be forwarded in writing to the Compliance Officer and reviewed at least quarterly by the Compliance Officer. Subsequent to the review, the Compliance Officer will work with management in order to determine whether any further resulting actions,
15 including but not limited to modifying the Plan, are necessary. These actions will be documented either in the form of a request to the MSA to update the Plan (i.e. to modify company policy or practices), or if they do not require modification of the Plan, they will be documented and retained by the manager of the affected business unit, and the Compliance Officer.

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(e) a description of the contents of the quarterly reports to FortisAlberta's board of directors and the annual report to the Market Surveillance Administrator required by Section 34(2).

25 The contents of these reports will meet the specifications in Section 34(1) of the Code.

FortisAlberta will submit a copy of the quarterly reports to the MSA.

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(f) a description of the means to ensure the auditors have sufficient access to officers, employees, agents and contractors, and information systems to perform the audit required under Division 1 of Part 4 of the Code.

5 Management of FortisAlberta, with guidance as required by the Compliance Officer, will ensure auditors will have sufficient access to employees, officers, contractors and agents, and systems. This includes, but is not limited to, access to all records and the ability to interview employees, officers, contractors and agents.

FortisAlberta will provide the MSA the ability to interact with the auditor, as required

10 (g) *how the communication to the public about the role of the MSA required by section 35 will be carried out.*

FortisAlberta proposes to use its website: www.FortisAlberta.com as a means to communicate with the public, including employees, about the role of the MSA. An outline of FortisAlberta's proposed notice in this regard is provided in Appendix D.

15 Pursuant to Section 35(2)(c), FortisAlberta requests approval of this notice in conjunction with the remainder of the Compliance Plan.

20 (h) *a procedure for the voluntary resolution of complaints about non-compliance with the compliance plan and the Code.*

FortisAlberta's proposed complaints resolution process is attached as Appendix B.

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Robert Fink
Compliance Officer
FortisAlberta Inc.
Dated: June 3, 2005

Appendix A

Compliance Plan for Specific Elements of Code of Conduct Regulation (A.R. 160/2003)

Section	Regulation Requirement	FortisAlberta Compliance Plan
4	Neither an owner nor its affiliated retailer may require or induce customers to acquire goods or services from the affiliated retailer or any other retailer by making or appearing to make regulated electricity services conditional on the acquisition of those goods or services.	FortisAlberta employees, officers, agents and contractors that are likely to come in contact with customers will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E for more details on monitoring and reporting.
5	Neither an owner nor a regulated rate provider may, without the customer's consent, transfer the customer to a retailer, or transfer the customer to a retail electricity services tariff.	FortisAlberta interprets the intent of this to be that an owner cannot, without the consent of a customer, move the customer to a retailer other than the owner's regulated rate provider or transfer the customer to a retail electricity services tariff other than the owner's regulated rate tariff. FortisAlberta only transfers a customer to a retailer or to retail electricity services with a directive to do so by a retailer, who would have had to obtain the customer's authorization to do so as such retailer is also subject to this regulation and FortisAlberta's EUB approved Terms and Conditions of Distribution Tariff Services (section 4.4, which also states the retailer is responsible for obtaining proper authorization from the customer). FortisAlberta does not confirm the consent (in order to avoid unnecessary duplication); however, all retailer switches, and the requests that lead to them are recorded in SAP (see Appendix E), and therefore may be correlated to the Retailer's records if a complaint is received.
6	Neither an owner nor its affiliated retailer may represent that customers of any retailer receive treatment from the owner that is different from the treatment that customers of other retailers receive from the owner.	All retailers, including EEAI as FortisAlberta's RRT provider and Default Supplier, are subject to the EUB approved Distribution Tariff and are therefore treated equally. All communications (i.e. email, written, telephone) are routinely documented. Please also see Appendix E and part (d) of the Plan.

Section	Regulation Requirement	FortisAlberta Compliance Plan
7	<p>If the name and logo of an owner and its affiliated retailer do not clearly indicate that they are separate entities, the affiliated retailer must, in any internet text or written material published or sent that markets retail electricity services, include conspicuous statements to the following effect:</p> <p>that customers are not required to acquire electricity or other goods or services from the affiliated retailer in order to receive regulated electricity services from the owner;</p> <p>the place where customers may obtain the current list of licensed retailers maintained in accordance with the <i>Fair Trading Act</i> and the regulations under the Act.</p>	<p>FortisAlberta’s and EEAI’s logos are clearly distinct as they are separate corporate legal entities.</p>
8	<p>An owner must make a reasonable effort to be equally available to all retailers for joint meetings with the retailer and the retailer’s customers.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E.</p>
9	<p>Owners and retailers must, in accordance with this regulation, protect the confidentiality of customer information.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Compliance in this regard is already enforced by other applicable legislation, in addition to FortisAlberta’s Distribution Tariff Terms and Conditions. Please see Appendix E (policies), as well as section 4.11 of the T&Cs.</p>

Section	Regulation Requirement	FortisAlberta Compliance Plan
10(1)	<p>Neither an owner or a retailer, nor an officer, employee, contractor or agent of an owner or retailer may disclose customer information to any person without the consent of the person that is the subject of the information unless the information is aggregated customer information disclosed in accordance with section 14,</p> <p>the disclosure is to a default supplier appointed by the owner under the <i>Roles, Relationships and Responsibilities Regulation, 2003</i>,</p> <p>the disclosure is solely for the purpose of preventing interruption of electricity services, or</p> <p>the disclosure is permitted under subsection (3).</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. FortisAlberta's practices in this regard are governed by and comply with other legislation, in addition to FortisAlberta's Distribution Tariff Terms and Conditions (section 4.11). Please also see Appendix E.</p>
10(2)	<p>A consent by a customer has no effect unless the consent itemizes the customer information that is authorized to be disclosed,</p> <p>states the period of time that the consent is in effect, and</p> <p>states whether the customer information may be released to one, some or all retailers.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. FortisAlberta's practices in this regard are governed by and comply with other legislation, in addition to FortisAlberta's Distribution Tariff Terms and Conditions (section 4.11). Please also see Appendix E.</p>

Section	Regulation Requirement	FortisAlberta Compliance Plan
10(3)	<p>Customer information may be disclosed without the customer’s consent to the following specified persons or for any of the following purposes:</p> <ul style="list-style-type: none"> to the customer’s retailer; to a person authorized by the owner that provides electricity services to eligible customers in the owner’s service area under a regulated rate tariff; for the purpose of an audit under Part 4; for the purpose of a court proceeding or a proceeding before a quasi-judicial body to which the customer is a party; for the purpose of complying with a subpoena, warrant or order issued or made by a court, person or body having jurisdiction to require or compel the production of information or with a rule of court that relates to the production of information; to a peace officer for the purpose of investigating an offence if the disclosure is not contrary to the express request of the customer; if required by law or by an order of a government agency having jurisdiction over the owner or retailer; if required by the Market Surveillance Administrator or person authorized by the Market Surveillance Administrator; for the purpose of billing customers; for the purpose of collecting a customer’s unpaid bill. 	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. FortisAlberta’s practices in this regard are governed by and comply with other legislation, in addition to FortisAlberta’s Distribution Tariff Terms and Conditions (section 4.11). Please also see Appendix E.</p>
11	<p>If a customer authorizes that customer’s customer information to be disclosed by an owner or regulated rate provider to two or more retailers, the owner or regulated rate provider must disclose the information to those retailers at the same time and in the same manner.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E.</p>

Section	Regulation Requirement	FortisAlberta Compliance Plan
12	If a retailer obtains the consent of a customer for the release of that customer’s customer information from an owner or regulated rate provider, the owner or the regulated rate provider must, with 7 days of a request by the retailer and receipt of the customer’s consent, disclose the information to the retailer, and must not inform any other person that the customer information has been requested or was disclosed.	FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E.
13	If a customer consents to historical electric energy consumption being disclosed, the owner or regulated rate provider must, within 15 days of receipt of a written disclosure request, give the applicant the historical information for the 12-month period preceding the date of the request, or if that information has not been collected for a 12-month period, for any period preceding the date of the request for which that information has been collected.	FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E.
14	An owner or regulated rate provider may make available to a retailer, at not more that its cost to do so, aggregated customer information if the aggregation service is available to all retailers under the same terms and conditions, customer information has been aggregated to such a degree that the information of an individual customer or retailer cannot be readily identified, and at least 24 hours before aggregated customer information is made available to a retailer, the owner places on its website a notice containing a clear description of the information and the cost of obtaining the information, and then keeps the notice on its website for at least 30 days.	FortisAlberta employees, officers, agents and contractors that have access to customer information will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E. Where FortisAlbert provides aggregated information, the related notices will be logged and archived for review.

Section	Regulation Requirement	FortisAlberta Compliance Plan
15	Unless otherwise permitted by the Act or the regulations made under the Act, an owner must not, in the terms and conditions that govern regulated electricity services provided by the owner, give preferential treatment to its affiliated retailer or to customers of its affiliated retailer, or discriminate against any retailer or against customers of any retailer.	All customers and retailers, including EEAI as FortisAlberta's RRT provider and Default Supplier, are subject to the EUB approved Distribution Tariff and are therefore treated equally. Please also see the section on Policies in Appendix E
16	If an owner intends to make changes in its regulated electricity services, or to the terms and conditions that apply to those regulated electricity services, it must inform all retailers of the intended changes at the same time and in the same manner.	FortisAlberta must apply to the EUB for any changes to its regulated services and associated terms and conditions, and through this process, all stakeholders receive the relevant information at the same time and in the same manner. Once an Application for a change to FortisAlberta's rates or terms and conditions is made, the EUB provides notice to the public in a non-discriminatory manner to ensure the resulting process is open and inclusive. If FortisAlberta proactively (i.e. prior to making an actual Application with the EUB) informs Retailers of its intended changes, FortisAlberta will inform all Retailers in the same manner at the same time. This will be a stated policy of FortisAlberta (per Appendix E).
17(1)	When an owner or regulated rate provider allows a retailer to access the owner's or regulated rate provider's written communication, including billing envelopes, with customers for sales or marketing purposes the communication by the retailer must conspicuously state that customers are free to choose other retailers, and refer the customer to a source where the customer may obtain the current list of licensed retailers maintained in accordance with the <i>Fair Trading Act</i> and the regulations under that Act.	FortisAlberta does not allow any retailer, including EEAI, access to its written communications. This will be a stated policy of FortisAlberta (per Appendix E).

Section	Regulation Requirement	FortisAlberta Compliance Plan
18(1)	<p>An owner or regulated rate provider must not give information about retail electricity services in a manner that encourages a customer to contact one retailer in preference to other retailers;</p> <p>solicit business on behalf of a retailer;</p> <p>give the appearance that it speaks on behalf of a retailer or that a retailer speaks on its behalf;</p> <p>give customers advice or assistance about a retailer, except to refer a customer to a source where the customer may obtain the current list of licensed retailers maintained in accordance with the <i>Fair Trading Act</i> and the regulations under that Act;</p> <p>permit website users to access web pages relating to retail electricity services from web pages relating to regulated electricity services or vice versa, unless a warning is displayed immediately when one website is accessed from the other that conspicuously states that customers are free to choose other retailers, and refers the customer to a source where the customer may obtain the current list of licensed retailers maintained in accordance with the <i>Fair Trading Act</i> and the regulations under that Act.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. In relation to (e), FortisAlberta’s website is not linked to any web pages related to retail electricity services. This will be a stated policy of FortisAlberta (per Appendix E).</p> <p>Please also see Appendix E for more information re: systems, policies and mechanisms.</p>
18(2)	<p>If a customer requests information about retail electricity services from an owner or regulated rate provider, the owner or regulated rate provider must refer the customer to a source where the customer may obtain the current list of licensed retailers maintained in accordance with the <i>Fair Trading Act</i> and regulations under that Act.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E.</p>
19(1)	<p>An owner and its affiliated retailer may make arrangements to create cost efficiencies in their operations, but must not create an unfair competitive advantage for the affiliated retailer by the arrangements.</p>	<p>FortisAlberta and EEAI have not, and do not plan to make any such arrangements. This will be a stated policy of FortisAlberta (per Appendix E).</p>

Section	Regulation Requirement	FortisAlberta Compliance Plan
20(1)	<p>The arrangements between an owner and its affiliated retailer do not create an unfair competitive advantage if no customer information is disclosed that could be used by the affiliated retailer for marketing or sales purposes, and the owner and its affiliated retailer each describe in their compliance plans how the disclosure is prevented, and have in place appropriate data management and information access protocols to ensure customer information is not improperly disclosed, or the owner and affiliated retailer each include in their compliance plans, systems, policies and mechanisms to ensure that no customer information received by the affiliated retailer from the owner is used by the affiliated retailer for marketing or sales purposes, and have in place appropriate data management and information access protocols to ensure customer information is not improperly used.</p>	<p>FortisAlberta is required to provide EEAI with customer information that EEAI requires in its role as RRT provider and Default Supplier, in accordance with the EUB Approved Distribution Tariff Terms and Conditions. Any use of this information by an EPCOR affiliate outside of that purpose (e.g. for marketing or sales) would be governed by the EPCOR group of companies' affiliate code of conduct and compliance plans. To further provide assurance this standard is met, FortisAlberta has entered into an agreement with EEAI that addresses this. The agreement has been filed with the MSA and was originally between EESAI and FortisAlberta. Effective September 1, 2004, EEAI assumed the obligations of EESAI under the agreement</p>
21	<p>A retailer that seeks or receives customer information from a current or former officer, employee, agent or contractor of an owner or regulated rate provider for sales or marketing purposes seeks or obtains an unfair competitive advantage, unless this Regulation permits the retailer to have that customer information.</p>	<p>FortisAlberta employees, officers, agents and contractors will be made aware of this through the Training Plan per Appendix C. Please also see Appendix E.</p>

Section	Regulation Requirement	FortisAlberta Compliance Plan
22	<p>The following arrangements between an owner and its affiliated retailer create an unfair competitive advantage for the affiliated retailer if, without appropriately allocating and recording the economic benefits or costs between the owner and its affiliated retailer in a manner that is in accordance with the economic benefits or costs attributable to each party:</p> <ul style="list-style-type: none"> an owner and its affiliated retailer make joint acquisitions; an owner and its affiliated retailer share costs or expenses associated with research and development or investment in research and development; an owner or affiliated retailer, separately or jointly, sells, leases, gives or otherwise disposes of jointly acquired property. 	<p>FortisAlberta and EEAI have not and will not enter into any such transactions. This will be stated Policy of FortisAlberta (per Appendix E). In any event, FortisAlberta's rates are regulated by the EUB and cannot recover any costs that are not approved by the EUB on the basis that they are just and reasonable.</p>
23(1)	<p>The sale, lease, exchange, transfer or other disposition of goods or services between an owner and its affiliated retailer is an unfair competitive advantage for the affiliated retailer if the transaction is for other than fair market value.</p>	<p>FortisAlberta and EEAI have not and will not enter into any such transactions. This will be stated Policy of FortisAlberta (per Appendix E). In any event, FortisAlberta's rates are regulated by the EUB and cannot recover any costs that are not approved by the EUB on the basis that they are just and reasonable.</p>
24	<p>A loan, guarantee, security or other financial transaction by an owner to, or on behalf of, its affiliated retailer on terms more favourable to the affiliated retailer than the affiliated retailer could obtain on the open market constitutes an unfair competitive advantage for the affiliated retailer.</p>	<p>FortisAlberta will not enter into any such financial transactions with EEAI. This will be stated Policy of FortisAlberta (per Appendix E).</p>
26	<p>If information in an owner's or regulated rate provider's information system is available to the public, nothing in this Regulation prevents the owner or regulated rate provider from giving a retailer unrestricted access to the same information, and prevents a retailer from obtaining or using that information.</p>	<p>Other than information found on FortisAlberta's website, which has no restrictions in respect of access by any specific party, information in FortisAlberta's information systems is not available to the public.</p>

Section	Regulation Requirement	FortisAlberta Compliance Plan
27(1)	An owner and an affiliated retailer must each keep records and accounts that are separate from each other.	FortisAlberta and EEAI keep separate records and accounts.
27(3)	An owner must keep sufficient records and accounts to enable an audit to be conducted under Part 4, comply with any guidelines or uniform system of record keeping required by the Board, subject to clause (d), keep accounts in accordance with generally accepted accounting principles, and keep accounts in accordance with any guidelines or uniform system of accounting required by the Board.	FortisAlberta will continue to meet these requirements in its tariff applications to the EUB, as required by parts (b), (c) and (d) of this section of the Code. As described to some extent in the Plan, the Compliance Officer will have all other records required to enable the noted audit in part (a).
28	Every financial transaction between an owner and an affiliated retailer must be in writing.	The invoicing for the Distribution Tariff by FortisAlberta to EEAI, is performed in accordance with the Distribution Tariff Terms and Conditions. Any additional financial transactions between FortisAlberta and EEAI, will be captured in writing. This will be stated policy of FortisAlberta (per Appendix E). The Compliance Officer will keep a copy of any such documents.
29(1)	An owner and an affiliated retailer must maintain a record of goods and services sold, leased, exchanged, given or otherwise disposed of between an owner and its affiliated retailer, and the value of the transaction expressed in terms of money.	If there are any such transactions between FortisAlberta and EEAI, a record thereof will be maintained. This will be stated policy of FortisAlberta (per Appendix E). The Compliance Officer will keep a copy of any such documents.
29(2)	All transactions for goods or services between the owner and its affiliated retailer when the total cost of those transactions exceeds \$500 000 annually, must be documented by an agreement and must be supported by written evidence of fair market value.	FortisAlberta's rates are regulated by the EUB. Therefore the recovery of costs for goods or services through FortisAlberta's rates will, in any event, require such documentation for the purposes regulatory approval.
30	An owner and an affiliated retailer must keep the records, accounts, financial transactions, reports and plans required by this Regulation or a compliance plan for at least 6 years.	FortisAlberta will maintain such records for 6 years, including records held by agents or contractors, in relation to services provided.

Appendix B

Voluntary Resolution of Complaints Process

5 FortisAlberta will make all reasonable efforts to voluntarily resolve any complaints regarding non-compliance with the Code of Conduct Regulation.

The Compliance Officer will have overall responsibility for the voluntary resolution of any complaints regarding non-compliance with the Code.

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Upon receipt of a written or verbal complaint regarding non-compliance with the Code, the Compliance Officer or a designate shall:

- 15 ▪ Acknowledge receipt of the complaint, in writing, within 5 working days of receipt of the complaint.
- Appoint an internal investigation team, which shall include the FortisAlberta senior manager whose business unit is the subject of the complaint.
- If appropriate in the opinion of the Compliance Officer, request the MSA to participate in the voluntary resolution of the complaint.
- 20 ▪ Provide FortisAlberta's written response to the complainant within 20 working days of receipt of the complaint, or at such later time as may be mutually agreed with the complainant.

25 If the complainant provides notice of dissatisfaction with FortisAlberta's response, the Compliance Officer shall escalate the complaint to the CEO of FortisAlberta, in which case the CEO of FortisAlberta shall review FortisAlberta's investigation of the complaint and shall provide a further written response to the complainant within 10 working days of receipt of the notice of dissatisfaction.

30 The Compliance Officer will keep the documentation for this process, and it will form part of his/her quarterly review and report. He/she will also be responsible for ensuring the process is followed (as outlined under Section "d" of "The Plan").

Appendix C

Training Plan

FortisAlberta's employees, officers, agents and contractors will be trained and/or tested in the information detailed in Appendix A. Training will also include instruction in reporting breaches of the Code. To facilitate monitoring compliance, training will be centrally tracked and deficiencies reported regularly to management and the Compliance Officer. The training program will require all persons to provide acknowledgement that they have taken the training, and that they have agreed to comply with the Code and the Compliance Plan, all of which may then also be reported.

On an ongoing basis, each FortisAlberta senior manager shall be responsible to ensure that all new employees, officers, agents and contractors are made aware of their responsibilities under the Compliance Plan. No less than annually, FortisAlberta management shall ensure that all of their employees continue to be aware of their responsibilities under the Compliance Plan as set out below.

Material changes to the Plan will require all employees, agents and contractors to retrain. For minor changes to the Plan, the Compliance Officer will be responsible to ensure such changes are communicated to all managers in the company. For all changes, the Compliance Officer will ensure that compliance monitoring (as described in Appendix E) incorporates the new requirements, and will check for and document them in his/her quarterly review.

Responsibilities under the Compliance Plan can be categorized to apply as follows:

- to all employees (Sections 18(1), 18(2));
- to FortisAlberta employees likely to come into contact with customers/retailers (Sections 4, 5, 6, 8);
- to FortisAlberta employees with access to or knowledge of customer information (Sections 9, 10, 11, 12, 13, 14, 20, 21).

Notwithstanding, FortisAlberta proposes that all employees take all of the training.

Appendix D

Communication to Public regarding the MSA

5 FortisAlberta will post the following on its website: www.fortisalberta.com. The names of documents which are underlined will provide hyperlinks to those documents (i.e. on Alberta Energy's website). The Market Surveillance Administrator's website will also be accessible through a hyperlink.

10 *FortisAlberta Inc. is a regulated utility in the province of Alberta. Under the Electric Utilities Act (or EUA), FortisAlberta is a distribution owner and is therefore subject to certain regulations. One such regulation is the Code of Conduct Regulation, which is enforced by the Market Surveillance Administrator (or MSA), which is a government appointed entity, independent of FortisAlberta.*

15 *Any complaints about FortisAlberta in respect of non-compliance with the Code of Conduct Regulation may be made to the MSA, in accordance with Section 51 of the EUA.*

Appendix E

Systems, Mechanisms, Policies and Practices

There are three main areas in FortisAlberta's Customer Services Department that are responsible for the majority of interactions with customers and retailers. These are:

1. Contact Centre
2. Retailer Relationships
3. Signature Accounts Team

The members of these groups and their management, rely on the following systems, mechanisms, policies and practices in order to carry out their functions, which in so doing they must, among other things, ensure they are compliant with the Code. (For contact with retailers and customers encountered by other areas in FortisAlberta, the Training Plan described in Appendix C will be the mechanism relied on to ensure compliance with the Code, in addition to the ability to report incidents of non-compliance within it, to be reviewed and acted on by management and the Compliance Officer as described under part (d) of the main Plan.)

Systems:

RITS (Retailer Information Tracking System)

This is a system that allows Retailers automated access to information for the sites for which they are the Retailer of record. This includes settlement data, as well as distribution tariff bill details. Any information accessed by a Retailer is tracked, and can therefore be reported and reviewed by FortisAlberta. All Retailers have equal access to the information related to their sites, and controls are in place to ensure no inappropriate access to information is possible between Retailers.

GTS (General Tracking System)

This system keeps a record of all customer (i.e. includes any party with whom Fortis Alberta interacts) inquiries, including the original question /concern, the date, the contact person at

Fortis Alberta, the consent to release information if required, the date and content of Fortis Alberta's response, and the manner in which it was provided. If customer inquiries are received through means outside of electronic communication, notably letters and faxes, the standard procedure is to convert the original documents to PDF files so that they can be attached to the original GTS ticket. Original documentation is also maintained in files for future reference.

SAP

This is FortisAlberta's integrated business system, a large component of which is the metering and billing function. SAP contains site level detail of billing information for the distribution tariff applicable to all retailers. This includes information related to energize/de-energize requests, retailer switching, etc.

Mechanisms:

Disclosure of Historical Energy Consumption

In order to release customer load information to a retailer outside of the retailer of record, a "Permission to Release Electric Customer Load Data" form has to be completed by the requesting retailer prior to the information being disclosed, including a statement that the retailer has authority to request the information. These forms are filed in a single location for record keeping purposes. FortisAlberta will on a regular basis monitor that written customer consent to release of information has been obtained by requesting retailer, through a sampling of such requests each quarter.

Practices:

Contact Centre Staff Performance Monitoring ('Score Cards')

FortisAlberta's current business practices include the monitoring of calls taken by call center staff on a regular basis. All calls are recorded. A sample of at least 5 calls per month, per agent, are monitored by the agents' supervisors. A 'score card' is kept for every agent, by the agent's supervisor, tracking the performance of the agent. The following steps are taken

by the agent’s supervisor, in the event an instance of unsatisfactory performance (which includes a breach of the Code) is discovered:

Instance:	Action
First	Discussion/clarification/coaching
Second	Retraining
Third	Agent is put on Performance Improvement Plan
Fourth	Termination

In addition FortisAlberta plans to fill the new position of Quality Assurance Supervisor, by the end of June, 2004. This position will increase the amount of monitoring done, which will be reports, targeting 15 calls per agent per month, in addition to those done by their supervisors. These reports and score cards above provided to the Compliance Officer, and kept for review by MSA/auditor. Contact (call) centre ‘scripts’ and other similar scripts for customer interface will also be kept for outside review. This will increase the certainty that contact centre staff are behaving in a manner that is compliant with the Code.

Based on these reviews, management of the Contact Centre will report instances of non-compliance with the Code and Plan to the Compliance Officer, including the remedies applied. If the Compliance Officer is not satisfied with the remedy applied by management, he/she will work with management to arrive at a satisfactory solution. These instances and any changes to procedures, if any, will be documented and retained by the Compliance Officer.

Retailer Relationship and Signature Accounts Staff Performance Monitoring

Calls with Retailers and 'signature accounts' (i.e. large, typically commercial and industrial customers) are currently not generally recorded, however the facility to record calls is there if warranted. Calls taken by these groups are fewer, and the staff is more senior (i.e. relative to the Contact Centre). Therefore, FortisAlberta's current practice is to record and monitor conversations handled by the Retail Relationship and Signature Accounts Teams only once a complaint has been received. If this occurs, the same steps as described above for Contact Centre staff performance monitoring are taken.

Based on any reviews resulting from non-compliance, the management of the Retail Relationship and Signature Accounts Teams will report instances on non-compliance with the Code to the Compliance Officer, including the remedies applied. If the Compliance Officer is not satisfied with the remedy applied by management, he/she will work with management to arrive at a satisfactory solution. This will also be documented and retained by the Compliance Officer.

Policies:

FortisAlberta considers that the Distribution Tariff (including the Terms and Conditions) as amended from time to time, and approved by the EUB, shall be abided by at all times. The tariff in essence constitutes ‘policy’ which must be adhered to. As noted in Appendix A, sections of the Terms and Conditions address the requirements of some sections of the Code. A copy of the Terms and Conditions, as currently in effect, is attached (embedded in this document at the end of Appendix E). For any non-compliance with the Tariff, including the Terms and Conditions, FortisAlberta is subject to EUB review and any corrective measures the EUB deems appropriate, in accordance with established EUB processes. Also attached for reference is the Retail Services Agreement. Both of these documents, among other things, can be found on FortisAlberta’s website: www.FortisAlberta.com, under the headings Retailers/Documentation.

Similarly, FortisAlberta is governed by the Settlement System Code, as amended from time to time by the AESO. This code largely prescribes the manner and nature of data transfers between FortisAlberta and Retailers, and requires that all Retailers be subject to the same treatment by FortisAlberta. FortisAlberta understands it must adhere to this code at all times. Any breaches of this code are dealt with via the compliance monitoring performed by the AESO as dictated by the Settlement System Code.

In addition, the following are stated policies of FortisAlberta (as noted in the Table in Appendix A in reference to specific elements of the Code):

- *All customers and retailers, including EEAI as FortisAlberta’s Regulated Rate Provider and Default Supplier, are subject to the EUB approved Distribution Tariff and must be treated equally.*
- *FortisAlberta will not allow any retailer, including EEAI, access to its written communications.*

- *FortisAlberta's website must not contain links to any web pages related to retail electricity services.*
- *FortisAlberta will not make any arrangements with EEAI that will result in unfair competitive advantages for EEAI or its affiliates. This includes, but is not limited to the sharing of facilities or services; joint acquisitions; sharing of the costs for research and development; the selling, leasing, giving or otherwise disposing of jointly acquired property; loans, guarantees, security or other financial transactions.*
- *Any financial transaction between FortisAlberta and EEAI, other than those strictly in accordance with the Distribution Tariff, shall be captured in writing.*
- *If FortisAlberta proactively (i.e. prior to making an actual Application with the EUB) informs any Retailers of its intended changes, FortisAlberta will inform all Retailers in the same manner at the same time.*



FortisAlberta Retail
Service Agreement.ppt



FortisAlberta Terms
& Conditions (Jan 12)

**RETAIL SERVICE AGREEMENT
FOR THE PROVISION OF DISTRIBUTION TARIFF SERVICES**

This Retail Service Agreement (“Agreement”) effective as of _____, 2005 must be read in conjunction with the FortisAlberta Inc. (“FortisAlberta”) *Terms and Conditions of Distribution Tariff Services* (the “Terms and Conditions”), as approved from time to time by the **Board**, and available on FortisAlberta’s website at: <http://www.fortisalberta.com/retailers/documentation.htm>. The Terms and Conditions automatically apply, and also take precedence if there is any conflict or inconsistency raised between the Terms and Conditions and this Agreement. All terms presented herein in bold are defined in the Terms and Conditions.

FortisAlberta is an owner of an electric distribution system (“Owner”) as described under the *Electric Utilities Act* R.S.A. 2000, c. E-5.1 2003, as amended from time to time. _____ (“the **Retailer**”) and FortisAlberta agree that FortisAlberta will provide and the **Retailer** will accept **Distribution Tariff Services** upon and subject to the Terms and Conditions and this Agreement.

NOW THEREFORE IN CONSIDERATION of the promises herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), FortisAlberta and the **Retailer** agree as follows:

1. **COMPLIANCE WITH TERMS AND CONDITIONS:** The **Retailer** agrees to comply with the Terms and Conditions and all applicable **Distribution Tariff** rates, options, and riders, as approved by the **Board** and amended from time to time. Without limiting the generality of the foregoing, the **Retailer** agrees to pay all rates, charges, invoices, or fees levied or billed to it by FortisAlberta in accordance with Article 5 of the Terms and Conditions. Payment shall be made in the form and manner directed by FortisAlberta from time to time.
2. **QUALIFICATION FOR DISTRIBUTION TARIFF SERVICES:** The **Retailer** represents, warrants, covenants, and agrees with FortisAlberta that all **Retailer** qualifications for **Distribution Tariff Services** as provided in Article 4 of the Terms and Conditions have been met as of the date of this Agreement written above and at all times during the term of this Agreement.
3. **CREDIT REQUIREMENTS:** The **Retailer** has provided FortisAlberta with, and shall maintain, security for the performance by the **Retailer** of its obligations under this Agreement, in accordance with Article 4 of the Terms and Conditions.
4. **CUSTOMER INFORMATION AND CONFIDENTIALITY:** The **Retailer** shall be responsible for providing FortisAlberta with **Customer Information** pertaining to the **Retailer’s Customers** in accordance with Article 4 of the Terms and Conditions. The **Retailer** shall update such **Customer Information** as soon as reasonably practical in the circumstances. In addition, FortisAlberta and the **Retailer** agree to exchange such **Customer Information** or **Customer**

Usage Information as the other may require to perform its obligations under the Terms and Conditions, this Agreement, and applicable laws, including, without limitation, for the purpose of wholesale billing in accordance with the *Billing Regulation* AR 159/2003, as amended from time to time, and for the purposes set out in Part 2, Division 2 of the *Code of Conduct Regulation* AR 160/2003. Both FortisAlberta and the **Retailer** acknowledge and agree that such **Customer Information** and **Customer Usage Information** is strictly confidential and may not be disclosed or used by it for any purpose other than the purposes set out herein, and then, only in accordance with Part 2, Division 2 of the *Code of Conduct Regulation*. The parties agree that the provisions of this section shall survive termination of this Agreement and shall continue in full force and effect to bind the parties.

5. RETAILER TO NOTIFY CUSTOMERS THAT FORTISALBERTA'S TERMS AND CONDITIONS APPLY: The **Retailer** agrees with FortisAlberta that the **Retailer** will notify each of the **Retailer's Customers** that such **Customer** is bound by certain of FortisAlberta's Terms and Conditions by virtue of FortisAlberta being an Owner, and the failure of such **Customer** to adhere or comply may result in such **Customer** being disconnected from the electric system. FortisAlberta hereby acknowledges and agrees that the **Retailer** shall be deemed to have satisfied such obligations by inserting a provision, substantively to the effect of the foregoing, into each electricity supply agreement it enters with those **Customers** for and on behalf of which the **Retailer** is provided with **Distribution Tariff Services** by FortisAlberta hereunder.

6. DEFAULTS AND REMEDIES; LIABILITIES AND INDEMNITIES: The **Retailer** specifically acknowledges the rights and obligations of FortisAlberta and the **Retailer** should either party default in the performance of its obligations under this Agreement, as set out in Article 8 of the Terms and Conditions.

7. TERMINATION BY RETAILER: In addition to any rights which the **Retailer** has to terminate this Agreement pursuant to the Terms and Conditions, the **Retailer** shall also be entitled to terminate this Agreement on providing FortisAlberta with not less than thirty (30) days notice of its intent to terminate this Agreement. Upon termination of this Agreement and the payment by the **Retailer** of all amounts due and owing by the **Retailer** to FortisAlberta FortisAlberta shall, if applicable, take such action as is within its power and which may be necessary and desirable to cause the release of the security granted to it by the **Retailer** pursuant to Article 4 of the Terms and Conditions.

8. SUCCESSORS AND ASSIGNS: This Agreement may not be assigned by the **Retailer** without the prior written consent of FortisAlberta in accordance with the Terms and Conditions, which consent shall not be unreasonably withheld. This Agreement and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

13. APPLICABLE LAWS: This Agreement shall be governed by the laws of Alberta and the federal laws of Canada applicable therein.

14. FACSIMILE AND COUNTERPART EXECUTION: This Agreement may be executed by facsimile and in counterpart execution, with each such counterpart deemed to be an original and the counterparts taken together, constituting one and the same agreement.

IN WITNESS WHEREOF the parties have hereto duly executed this Agreement on the day and year above first written.

FORTISALBERTA INC.

Per: _____
 Name: _____
 Title: _____

FortisAlberta Approval	
Reviewed for accuracy and content by:	
Name: (please print)	Initial:

RETAILER

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____



**FORTISALBERTA INC.
TERMS AND CONDITIONS
OF DISTRIBUTION TARIFF SERVICES**

Effective January 1, 2005

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Capitalized terms used in the Terms and Conditions of Distribution Tariff Services, as may be amended from time to time, (the “Terms and Conditions”) and not otherwise defined in the context in which they are used, have the meaning ascribed thereto under section 2.4 “Definitions”.

ARTICLE 1 – INTRODUCTION TO TERMS AND CONDITIONS OF DISTRIBUTION TARIFF SERVICES

The Terms and Conditions, as approved by the Board form part of the Distribution Tariff and are established pursuant to section 2 of the *Distribution Tariff Regulation*, A.R. 162/2003, as amended from time to time. The Distribution Tariff is available upon request to FortisAlberta and can be accessed on FortisAlberta’s website at: www.fortisalberta.com/retailers/documentation.htm.

The Terms and Conditions apply to FortisAlberta and its relationship with Distribution Load Customers, Transmission Load Customers, DG Customers and Retailers (together, the “Responsible Parties”). All Responsible Parties by virtue of their relationship with FortisAlberta are deemed to have accepted these Terms and Conditions.

The services provided by FortisAlberta hereunder are regulated by the Board, and parties having any inquiries or complaints regarding the Terms and Conditions may direct such inquiries or complaints directly to FortisAlberta or to the Board.

No agreement can provide for the waiver or alteration of any part of these Terms and Conditions unless such agreement is first filed with and approved by the Board. Whenever the Board approves an amendment to the Terms and Conditions, such amendment, including its effective date, will be posted on FortisAlberta’s website at www.fortisalberta.com/retailers/documentation.htm.

ARTICLE 2 – INTERPRETATION

2.1 Conflicts

If there is any conflict between a provision expressly set out in an order of the Board (the “Order”) and the Terms and Conditions, the Order shall govern.

If there is any conflict between a provision in the Terms and Conditions and a provision in a Retail Service Agreement, Electric Service Agreement or any other existing or future agreement between FortisAlberta and a Responsible Party relating to the provision of a Service Connection or Distribution Tariff Services, the provision in the Terms and Conditions shall govern.

2.2 Headings

The division of the Terms and Conditions into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Terms and Conditions. The Terms and Conditions have attached hereto Appendices A and B, which Appendices are incorporated by reference herein. The Appendices should be read in their entirety. The Terms and Conditions reference in most but not all circumstances where an Appendix should be consulted for more information.

2.3 Extended Meanings

In the Terms and Conditions, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neutral genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

2.4 Definitions

The following words and phrases, whenever used in these Terms and Conditions unless the context otherwise specifies, shall have the meanings set forth below:

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

“**AIES**” means Alberta’s “Interconnected Electric System” as that term is defined in the Act;

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

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in the Province of Alberta and encompassing the hours between 8:00 a.m. and 4:00 p.m. Mountain Standard time; and “**day**” means any calendar day;

“Buy-Down Charge” has the meaning ascribed herein under the section “Changes to Service Peak Demand Requirements”;

“Commitment Agreement” means the written agreement that may be required at FortisAlberta’s sole discretion between the Distribution Load Customer or Transmission Load Customer and FortisAlberta whereby such Customer both authorizes the design and construction of new or expanded Facilities and agrees to pay all cancellation costs if the project is cancelled or if the Customer fails to sign an Electric Service Agreement prior to the energization of the new or expanded Facilities;

“Company Investment” is as defined herein under the section “Customer Contributions”;

“Company Transmission Costs” is as defined herein under the section “Customer Contributions”;

“Contract Kilometres” means the length of distribution line measured in kilometres from the Point of Service to the transmission Point of Delivery, as determined by FortisAlberta for Customers on Rates 63 and 81 of the Rate Sheets;

“Contract Minimum Demand” means the minimum demand specified in the Electric Service Agreement (which shall be no less than the Minimum Demand) or, if no agreement is in existence, means the Minimum Demand;

“Customer” means a person purchasing electricity for that person’s own use;

“Customer Contribution” is as determined herein in accordance with the section “Customer Contributions”;

“Customer Extension Costs” is as defined herein under the section “Customer Contributions”;

“Customer Information” means Customer name, Customer telephone number, Customer mailing address, site contact name and site contact telephone number and other information as described in the Settlement System Code;

“Customer Shared Costs” is as defined herein under the section “Customer Contributions”;

“Customer Transmission Contributions” has the meaning attributed herein under the section “Customer Contributions”;

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

“De-energization” has the meaning attributed to it in the Settlement System Code;

“Default Supplier” has the meaning attributed to it in section 3 of the RRR Regulation;

“Disconnection” means the cessation of Electricity Services resulting from removal of Facilities;

“Discontinuance” means the cessation of Electricity Services on a temporary basis and does not involve removal of Facilities;

“Distribution Access Service” has the meaning attributed thereto in the Act;

“Distribution Connected Generating Customer” or **“DG Customer”** means a Customer that has on-site generating facilities that are interconnected and operating in parallel with the Electric Distribution System;

“Distribution Contract Exit Charge” is as defined herein under the section “Disconnection and Permanent Termination of Service by Customer”;

“Distribution Load Customer” means a Customer interconnected to FortisAlberta’s Electric Distribution System for the purpose of purchasing electricity for that person’s own use;

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

“Distribution Tariff Services” means all services provided by FortisAlberta in accordance with the *Distribution Tariff Regulation* A.R. 162/2003, as amended from time to time;

“Electric Distribution System” has the meaning attributed thereto in the Act;

“Electric Service Agreement” means an agreement between FortisAlberta and a Customer for the provision of Distribution Access Service and/or System Access Service;

“Electricity Services” means the services associated with the provision of electricity to Customers, including the exchange of electricity through the Power Pool, making

arrangements to manage financial risk associated with pool price, arranging with the distribution company for Distribution Access Service, System Access Service and system support services, end-use Customer billing maintaining information systems, and any other services specified in and provided in accordance with the Regulations;

“Expected Peak Demand” means the expected maximum capacity requirement at a Point of Service which is used to determine the potential FortisAlberta Investment Level, the Minimum Demand and the Maximum Supply;

“Facilities” means physical plant (including, without limitation, distribution lines, transformers, meters, equipment and machinery) on FortisAlberta’s side of the Point of Service interconnection, excluding Transmission Facilities;

“Force Majeure” means circumstances not reasonably within the control of FortisAlberta, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, interruptions of supply of goods or services, the intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise, except for lack of funds which shall not be considered an event of Force Majeure;

“FortisAlberta Standard Service” means the least cost distribution Facilities alternative which meets the obligations of good electric practice and factors in safety and clearance concerns (typically overhead service is provided);

“Independent System Operator” is the corporation established by section 7 of the Act to carry out the duties of section 17 of the Act;

“Interconnection Agreement” means an agreement entered between FortisAlberta and a DG Customer that sets out the provisions and obligations of the parties with respect to the interconnection, including the Operating Procedures. Interconnection Agreements are required when any generator interconnects to the Electric Distribution System;

“Interconnection Facilities” for DG Customers means all incremental distribution Facilities required to interconnect the circuits of the DG customer’s generating Facilities to

FortisAlberta's facilities, and all modifications to FortisAlberta distribution Facilities required for interconnection which may include, without limitation, poles, lines, substations, service leads, and protective and metering equipment, but which shall not include Transmission Facilities;

"Interconnection Facilities Costs" are the capital costs of the DG Customer's Interconnection Facilities;

"Investment Level" means the total investment in dollars that FortisAlberta is permitted to make toward the construction of a new distribution service or additional service requirements at an existing Service Connection, which total investment available is determined by the expected service life of the Facilities as well as the Expected Peak Demand and shall be in accordance with the investment table as stated in Appendix B attached hereto, and such total distribution investment available shall not exceed the actual cost of constructing the distribution Facilities;

"kVA" means kilovolt-ampere or kilovolt-amperes;

"kW" means kilowatt or kilowatts;

"kWh" means kilowatt hour or kilowatt hours;

"Load" means energy consumed by Customers together with allocated losses and other unaccounted for energy;

"Load Settlement Services" means those services carried out by FortisAlberta as an owner of an Electric Distribution System, in accordance with the Settlement System Code;

"Maximum Supply" means the maximum amount of electric capacity (measured in kW or kVA, whichever is greater) that FortisAlberta is obligated to supply to the Customer for a Point of Service. The Maximum Supply is the lowest of the faceplate value of the transformer, the Maximum Supply as defined in the Electric Service Agreement, or 180% of the Minimum Demand;

"Metered Demand" means the registered demand in kW or 90% of the registered demand in kVA;

"Minimum Charge" means the higher of the rate minimum and the rate applied to the contract Minimum Demand;

“Minimum Demand” means the greater of the Contract Minimum Demand or two-thirds of the Expected Peak Demand;

“Operating Demand” means the value calculated as the average of the highest seven of the last twelve Metered Demands and is used for determining the appropriate rate for a Point of Service;

“Operating Procedures” means a schedule in the Interconnection Agreement which describes the procedures for the operation of both the DG Customer’s facilities and FortisAlberta’s facilities relating to the interconnection, which may be revised from time to time by FortisAlberta upon written notice to the DG Customer;

“Peak Demand” means the maximum Metered Demand in the last 12 months;

“Point of Delivery” means the point at which the electric energy is transferred from the Transmission Facilities to either FortisAlberta’s distribution Facilities or a Transmission Load Customer Point of Service;

“Point of Interconnection” means the point at which electricity is exchanged between the circuits of the DG Customer’s generating facility and the circuits of FortisAlberta’s distribution Facilities;

“Point of Service” means the point at which the wires or apparatus of a Customer are connected to the conductors of an electric utility;

“Power Factor” means the ratio of usage power measured in kW to total power measured in kVA;

“Power Pool” means the scheme operated by the Independent System Operator under section 18 of the Act for exchange of electric energy and financial settlement for the exchange of electric energy;

“Prepaid Line Share” has the meaning ascribed herein under the section “Customer Contributions”;

“Rate Sheet” means that portion of FortisAlberta’s Distribution Tariff which sets out charges;

“Regulations” means the regulations made pursuant to the Act;

“Responsible Parties” means all Retailers, Transmission Load Customers, Distribution Load Customers and DG Customers;

“Retail Service Agreement” means an agreement between FortisAlberta and a Retailer for the provision of the applicable Distribution Tariff Services;

“Retailer” means a person, selected by the Customer, or otherwise to whom the Customer is defaulted in accordance with the Act, who carries out the duties prescribed in the Act, including also self-retailers who procure Electricity Services for their own use as a Customer;

“Retailer Identification” means the 10-digit number that uniquely represents each Retailer operating within Alberta (the Canada Customs and Revenue Agency business number will be used as the Retailer Identification);

“Retailer of Record” means the Retailer who is listed in FortisAlberta’s records through the procedures outlined in the Terms and Conditions, and thereby recognized by FortisAlberta and the Settlement System Code, as a particular Customer’s Retailer for a Point of Service at a particular time;

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

“Service Connection” means all the Facilities required for providing services up to Point of Service;

“Settlement System Code” means the standards for determining and communicating responsibility for the operation of an efficient, fair, and openly competitive electricity market in Alberta, as established by the Independent System Operator under section 20(1)(h) of the Act;

“Subdivision Developers” means the registered owner or corporation or its duly appointed representative developing the land on which the electrical system is being installed;

“System Access Service” has the meaning given to it in the Act;

“System Access Service Agreement” means an agreement entered into between the Independent System Operator and FortisAlberta, which establishes the specific terms pursuant to which FortisAlberta obtains System Access Service;;

“Transmission Connected Service” means a Point of Service:

- (a) that is served at a transmission voltage level and is not interconnected to the FortisAlberta Electric Distribution System; and
- (b) for which FortisAlberta has a distinct System Access Service Agreement in existence with the Independent System Operator, specifically for the respective Point of Delivery;

“Transmission Facility” has the meaning given to it in the Act;

“Transmission Facility Owner” has the meaning given to it in the Act;

“Transmission Load Customer” means a Customer at a Transmission Connected Service who has not received a section 40 industrial system designation or a section 101(2) release as noted in the Act;

“Transmission System” has the meaning given to it in the Act; and

“Underground Residential Development Agreement” means the agreement between FortisAlberta and the Subdivision Developer by which the underground electrical distribution facilities are to be installed on the lands to provide Service Connections to each proposed lot and the common area within the lands.

ARTICLE 3 – PROVISIONS RELATING TO SERVICE CONNECTIONS

3.1 Interpretation

For the purposes of this Article 3, all references to “Customer” are to be interpreted as “Distribution Load Customer”.

3.2 Application for Service Connection

A Customer or a Retailer or any other person acting on behalf of the Customer may apply for a Service Connection to permit the Customer to obtain Electricity Services that will allow for the supply of energy at a nominal 60-Hertz alternating current and at an agreed standard voltage level.

If a Retailer or any other person acting on behalf of a Customer applies for a Service Connection on behalf of the Customer, the Retailer or other person must provide FortisAlberta with a verifiable authorization from the Customer to make the application on its behalf. The Customer authorization will include the Customer's name and an explicit expression of the Customer's intention to obtain the Service Connection.

3.3 Inability to Supply a New Service Connection

FortisAlberta may, in its sole discretion, reject any applicant's request for a Service Connection when:

- (a) the type of Service Connection applied for is not available or normally provided by FortisAlberta in the locality where the Service Connection is requested and the Customer has not agreed to pay the incremental cost of the service requested;
- (b) FortisAlberta is aware that the applicant or the Customer does not have currently in force all permits or other authorizations that may be required for the installation of the Service Connection;
- (c) FortisAlberta determines that the form of the Electric Service Agreement is not appropriate for the Service Connection due to its unique nature and the Customer refuses to enter into an alternate form of agreement acceptable to FortisAlberta;
- (d) the Customer has not, when requested by FortisAlberta to do so, provided a signed written application for a Service Connection or a signed Electric Service Agreement;
- (e) any representation made by the applicant or the Customer to FortisAlberta for the purpose of obtaining a Service Connection is, in FortisAlberta's sole opinion, fraudulent, untruthful or misleading; or
- (f) Customer's facilities or use thereof, in FortisAlberta's opinion, have unusual characteristics that might adversely affect the quality of service supplied to other Customers, public safety, or the safety of FortisAlberta's personnel.

3.4 Facilities Provided by the Customer

The Customer provides and is responsible for all wiring and electrical equipment on the Customer's side of the meter, including a suitable service entrance and meter socket or enclosure. For underground installations, the Customer provides and is responsible for the

underground conduit and underground service leads. If requested by the Customer, FortisAlberta will install the underground conduit and underground service leads and the Customer will reimburse FortisAlberta for the installation costs.

For a new service, or for the rewiring of an existing service, the Customer will need to obtain an electrical permit from an accredited agency. The Customer's wiring must conform to the Safety Codes Act of Alberta. For safety reasons, FortisAlberta has the right, but not the obligation, to inspect the Customer's wiring. Inspection by FortisAlberta does not relieve the Customer from any responsibility with respect to the Customer's wiring or electrical equipment.

3.5 Facilities Provided by FortisAlberta

FortisAlberta installs, owns and maintains all of the distribution Facilities required to supply electricity up to the Point of Service. Each Point of Service is billed as a separate service. FortisAlberta arranges with the Independent System Operator for all Transmission Facilities required for Customer requirements. FortisAlberta is obligated only to provide Facilities that can deliver up to the Maximum Supply capacity.

FortisAlberta is able to provide single and three phase electric service at several standard voltages and will assist the Customer in selecting the type of electric service best suited to the Customer's needs.

3.6 Meters

FortisAlberta shall provide, install and seal meters for the purpose of measuring the electricity delivered to a Distribution Load Customer by way of a Service Connection. The meters used to measure the amount of electricity consumed by the Distribution Load Customer are approved by Measurement Canada, and will be energy meters, or energy and demand measurement equipment with either thermal response, block response or sliding block response.

Electricity supplied to the Customer by the Retailer will be metered by metering equipment owned and maintained by FortisAlberta, which will be installed at a location designated by FortisAlberta, normally at the Point of Service. Where a meter is installed on a Customer-owned pole, the pole shall be provided and maintained by the Customer as required by the Canadian Electric Code and any other applicable statutes, regulations, standards and codes.

FortisAlberta may, at any reasonable time, read, inspect, remove and test a meter installed on property owned or controlled by the Customer. FortisAlberta may, at any time, change any meter it installed.

FortisAlberta installs interval energy recorders on all Points of Service with expected Operating Demands of 500 kW or greater. Interval energy recorders are available to three-phase Customers with expected demands of less than 500 kW for a metering charge (see Appendix A attached hereto), plus the cost of installation.

3.7 Customer Contracts

3.7.1 Term of Electric Service Agreement

Customers connected or connecting to the FortisAlberta Electric Distribution System are required to make contract arrangements with FortisAlberta, on the following basis:

- (a) Customers with Expected Peak Demand under 75 kW are not generally required to sign a contract with FortisAlberta. However, if the actual Operating Demand significantly differs from the Expected Peak Demand, FortisAlberta reserves the right to require an Electric Service Agreement.
- (b) Customers with Expected Peak Demand between 75 kW and 2000 kW are required to sign an Electric Service Agreement with an initial three-year term.
- (c) Customers with Expected Peak Demand greater than 2000 kW are required to sign an Electric Service Agreement with an initial term based on the number of years used to calculate the original investment.

3.7.2 Subdivision Developers

Subdivision Developers are required to sign an Underground Residential Development Agreement as appropriate.

3.7.3 Commitment Agreements

A Commitment Agreement may be required, at FortisAlberta's sole discretion, to be in effect until an Electric Service Agreement is executed or the request for a Service Connection has been cancelled.

3.7.4 Transfer of Contractual Obligations

All Electric Service Agreements, whether or not they require FortisAlberta assignment consent, that are properly transferred to an affiliate or successor taking over the operation of an existing facility must take on the obligations of the existing agreement and the demand history. Any change in service requirements as a result of such transfer shall be made in accordance with the Terms and Conditions. The existing contractual arrangements will remain in place until any new agreements have been approved and accepted by both parties.

3.8 Customer Contributions

All Customer Contributions other than Customer Transmission Contributions are payable before design, ordering and construction may begin. Customer Transmission Contributions are payable in accordance with the Independent System Operator tariff.

3.8.1 Customer Distribution Contribution

A Customer requesting a Service Connection may be required to make a contribution, calculated as follows:

$$\text{"Customer Distribution Contribution"} = \begin{array}{r} \text{Customer} \\ \text{Extension} \\ \text{Costs} \end{array} \begin{array}{c} +/ - \\ \\ \end{array} \begin{array}{r} \text{Customer} \\ \text{Shared} \\ \text{Costs} \end{array} - \begin{array}{r} \text{Company} \\ \text{Investment} \end{array}$$

The "Customer Extension Costs" include the cost of local Facilities required to extend FortisAlberta Standard Service for the sole use of the individual Customer.

The "Customer Shared Costs" are determined as follows:

- (a) For rural residential subdivisions, Customer Shared Costs are calculated based on the costs of the Facilities divided by the number of lots served.
- (b) For all irrigation services and all rural services with Expected Peak Demand under 100 kW not covered in (a), Customer Shared Costs are calculated as Prepaid Line Share, based on the formulae shown in Table 3, Appendix B. Prepaid Line Share amounts are not refundable.

- (c) For all services with Expected Peak Demand greater than or equal to 100 kW, the Customer Shared Costs include:
- i. a portion of the cost of the new or existing shared distribution Facilities. The Customer portion is determined based on the Customer's load relative to the total load supplied by the shared Facilities; and
 - ii. the cost of system upgrades attributed to the Customer's load.

The "Company Investment", where the expected service life is 15 years or more, is determined according to Table 1, Appendix B attached hereto.

The Expected Peak Demand will be used for establishing the Company Investment and the Contract Minimum Demand, and will initially be considered the Operating Demand for determining the applicable rate. This will be subject to review when enough operating history is available in order to determine the Operating Demand.

When establishing the expected service life of an investment, FortisAlberta considers both the viable technical life of the Facilities provided by FortisAlberta, and the economic life of the Customer's operation. If the lesser of these is less than 15 years, the maximum Investment Levels are reduced according to Table 2, Appendix B attached hereto.

In a new residential subdivision, since some Points of Service may not be occupied and connected immediately, the Subdivision Developer is initially responsible for the full Customer Extension Costs and Customer Shared Costs for each Point of Service. The Company Investment, less any costs, including but not limited to metering, incurred by FortisAlberta to complete the connection, is paid to the Developer or Municipality as each Point of Service is connected, as described in the section below "Refunds of Customer Distribution Contributions".

In the event that the maximum Company Investment exceeds the Customer Extension Costs and Customer Shared Costs, the excess amount is not available to the same or another Customer to apply at any other Point of Service.

3.8.2 Other Contributions

Cost of Optional Facilities

If the Customer requests Facilities beyond or different from those Facilities reasonably or normally required to provide FortisAlberta Standard Service, as covered in the Customer Extension Cost, the Customer will pay the cost of those optional Facilities, plus prepaid operation and maintenance as indicated in Table 4 of Appendix B attached hereto. Such payment is only refundable if the optional Facilities are deemed standard within ten years of the original payment date.

Distribution Cost of Temporary Services

For distribution Facilities which are in place for less than 2 years, the Customer will pay the cost of constructing and dismantling the Facilities, less the value of material which can be salvaged, as detailed in the section "Temporary Service Connections". In addition, Customer Transmission Contributions may apply.

Customer Transmission Contribution

FortisAlberta may incur company transmission costs (the "Company Transmission Costs") as a result of entering into contracts with the Independent System Operator for provision of System Access Service in support of Customers' electricity supply requirements. Company Transmission Costs include but are not limited to contributions and application fees made by FortisAlberta to the Independent System Operator in respect of a Point of Delivery providing System Access Service to a Customer. Company Transmission Costs are allocated to Customers as follows:

- (a) for a Customer other than a temporary services Customer, with an Expected Peak Demand of 2000 kW or less, no Customer Transmission Contribution will be initially levied;
- (b) for a Customer not initially assessed a Customer Transmission Contribution because the Expected Peak Demand was 2000 kW or less, but whose Operating Demand exceeds 2000 kW within ten years of the original determination, FortisAlberta reserves the right to levy a Customer Transmission Contribution equal to the Customer Transmission Cost, offset by any refund received from the Independent System Operator; and

- (c) for a Customer other than a temporary service Customer with an Expected Peak Demand greater than 2000 kW, a Customer Transmission Contribution may be required as follows:
- i. where a single Customer is served from a new Point of Delivery, the Customer Transmission Cost equals the Company Transmission Cost;
 - ii. where a number of new Customers are served from a new Point of Delivery, each Customer is allocated a portion of the Company Transmission Cost, based on the proportion of their Expected Peak Demand to the total expected demand at the Point of Delivery. This allocated cost becomes the Customer Transmission Cost; and
 - iii. where an expansion of an existing Point of Delivery is required to provide System Access Service to a Customer or several Customers with increased electricity requirements, including a Customer with an independently owned distribution system, any resulting Company Transmission Cost is allocated to each such Customer based on the proportion of their increase in Expected Peak Demand relative to the total increase in expected demand at the Point of Delivery. This allocated amount becomes the Customer Transmission Cost.
- (d) For a temporary service Customer, regardless of Expected Peak Demand, the Customer Transmission Contribution is equal to the Customer Transmission Cost plus an amount equivalent to the present value of any additional ongoing System Access Service attributable to the Customer.

Any obligations undertaken by FortisAlberta in connection with the Independent System Operator's Construction Commitment Agreements become the obligations of the Customer to FortisAlberta.

Any refunds of contributions received by FortisAlberta from the Independent System Operator may be passed on to Customers as described in the section "Refunds of Customer Contributions".

3.8.3 Refunds of Customer Contributions

Customer Distribution Contributions may be refundable for a period of ten years. Refunds are applicable in the following situations:

- (a) Customers not subject to Prepaid Line Share (see Table of Appendix B attached hereto) may receive a refund based on the proportion of the costs of the shared extension that are used by the new loads relative to the total load supplied by the shared extension. Refunds, in whole or in part, are made without interest to the current Customer at the Point of Service.
- (b) Customers at an existing Point of Service where a Customer Distribution Contribution was paid may receive a refund when an Electric Service Agreement with an increased Contract Minimum Demand is executed, as described in section "Changes to Service Peak Demand Requirements".
- (c) In a residential subdivision, where the developer initially paid the total cost of the distribution supply Facilities, refunds are made in accordance with the provisions of the residential development agreement, for each residence that is connected and taking service within ten years following the date of payment, to the current developer (or to the Municipality if so assigned by the developer), without interest.

Customer Transmission Contributions may be refunded to a Customer in whole or in part, if FortisAlberta receives a refund of Company Transmission Costs from the Independent System Operator, which can be attributed to the Customer

3.9 Changes to Service Peak Demand Requirements

The Customer's Peak Demand shall not exceed the Maximum Supply.

A Customer shall give FortisAlberta reasonable written notice prior to any change in requirements at a Point of Service to enable FortisAlberta to determine whether or not it can accommodate such change without alterations to its Facilities. Regardless of whether alterations are required to existing Facilities, a new Electric Service Agreement must be executed based on the new Expected Peak Demand. A Retailer or any other person who is acting on behalf of the Customer and who provides FortisAlberta with verifiable authorization from the Customer may give such notice to FortisAlberta on the Customer's

behalf. However, FortisAlberta reserves the right to require such notice directly from the Customer.

The Customer shall be responsible for all damage caused to FortisAlberta's Electric Distribution System as a result of the Customer changing requirements at a Point of Service without FortisAlberta's permission.

3.9.1 Changes to Distribution Facilities

If a Customer requests a change to his or her service requirements and FortisAlberta therefore determines it must modify certain Facilities to accommodate the change at a Point of Service, a Customer Distribution Contribution may apply and such contribution will be determined in accordance with "Customer Distribution Contribution" modified to the extent that Customer Extension Costs and Customer Shared Costs will be the sum of the following:

- (a) the original capital cost of FortisAlberta's Facilities being removed, less any Customer Contribution and less accumulated depreciation;
- (b) the estimated cost of removing FortisAlberta's Facilities, less the estimated salvage value;
- (c) the estimated cost of installing FortisAlberta's new Facilities; and
- (d) changes to Customer Shared costs.

Where Facilities, other than optional Facilities, are oversized relative to the Customer's Maximum Supply, FortisAlberta may at its own discretion and expense replace Facilities to more closely match the greater of the Customer's Operating Demand or the Customer's Maximum Supply.

3.9.2 Impact of Changes on a Customer's Electric Service Agreement

Notwithstanding any other provisions in the Terms and Conditions, a new Electric Service Agreement with revised Minimum Demand and Maximum Supply values is required before the Customer may change his or her Operating Demand.

Increases

If a Customer's Expected Peak Demand increases beyond the Maximum Supply capacity, the Customer shall execute a new Electric Services Agreement as provided by FortisAlberta. The Contract Minimum Demand will be revised to two-thirds of the new Expected Peak Demand. A refund of a prior Customer Distribution Contribution may apply. The refund amount available to the Customer is determined by multiplying the increase in kW of Expected Peak Demand, by the corresponding maximum company Investment Level for the service life of the new demand, provided in Table 2 of Appendix B attached hereto. The refund will not exceed the amount of the prior Customer Distribution Contribution.

For Points of Service with Operating Demands greater than 2,000 kW, the potential investment available to the Customer is based on only the per kW component of the maximum Company Investment Level. There is no payment related to the per kilometre component.

Decreases

If a Customer's Expected Peak Demand decreases, the Customer may enter into a new Electric Service Agreement as provided by FortisAlberta upon request, and the Contract Minimum Demand will be revised to two-thirds of the new Expected Peak Demand. In order to decrease the Contract Minimum Demand, the Customer may be required to pay an additional contribution, or "Buy-Down Charge". The Buy-Down Charge is determined by multiplying the decrease in kW of Expected Peak Demand, by the corresponding maximum Company Investment Level for the remaining service life, provided in Table 2 of Appendix B attached hereto, less any amount by which the original Company Investment exceeded the original distribution costs.

For Points of Service with Operating Demands greater than 2,000 kW, the Buy-Down Charge is based on only the per kW component of the maximum Company Investment level (see Table 2, Appendix B). There is no Buy-Down Charge related to the per kilometre component.

A Customer is required to give notice to reduce the Contract Minimum Demand. For every 30 kW reduction in Minimum Demand, a one-month

notice is required, to a maximum of sixty months. A Customer may give no more than one notice to reduce per year per Point of Service. If less notice is provided, the Customer is charged a "Payment In Lieu Of Notice", calculated as the difference between the Minimum Charge based on the original Contract Minimum Demand, and the Minimum Charge on the reduced Contract Minimum Demand, for the number of months falling short of the required notice.

Following a Buy-Down, demand history is reduced correspondingly for billing purposes by the amount of the reduction in Operating Demand corresponding to the reduction in Contract Minimum Demand.

3.9.3 Changes to System Access Costs

If FortisAlberta must modify its arrangements with the Independent System Operator to accommodate a change in Customer's service requirements, for Points of Service with Operating Demands greater than 2000 kW, the Customer pays for all costs attributable to such modification, including, but not limited to, additional contributions required from FortisAlberta by the Independent System Operator. The attributable costs are determined as described in the section "Transmission Customer Contribution".

3.10 Disconnection and Permanent Termination of Service by Customer

When a Customer wishes to permanently disconnect his or her Service Connection, in addition to the requirements under "Discontinuance of Distribution Tariff Services at the Request of a Customer or Retailer", a Customer may be assessed a "Distribution Customer Exit Charge". See also "Right to Disconnect the Customer's Service Connection".

The Distribution Customer Exit Charge is:

- (a) the Buy-Down Charge using a new demand of zero if the termination of service occurs before the end of the initial term;
- (b) less the value of any extension Facilities that may be salvaged, reduced by the cost of undertaking the salvage;
- (c) plus a Payment In Lieu Of Notice, calculated as the Minimum Demand for the number of months falling short of the required notice. The number of months

- notification required is determined by dividing the Contract Minimum Demand by 30;
- (d) plus, for Customers on Rate 63, the metres of Customer extension (specified in the contract or in the contract amendment notification) multiplied by the corresponding maximum Company Investment Level for the remaining service life, provided in Table 2 of Appendix B attached hereto, and any charges required from FortisAlberta by the Independent System Operator;
 - (e) plus any outstanding amounts attributable to the Customer with respect to, but not limited to, any deferral accounts and Board approved riders and charges arising from services supplied by the distribution company prior to the termination of service.

For Points of Service with Operating Demands of 75 kW or greater, Distribution Customer Exit Charge provisions apply for the service life of the Company Investment, as established at the time of investment.

3.11 Temporary Service Connection

Where a Service Connection is to be used for temporary purposes only, the Customer must pay the Distribution Cost of Temporary Services in accordance with section 3.8.2 and the Customer Transmission Contribution in accordance with section 3.8.2(d). Unless otherwise approved by FortisAlberta in writing, temporary service shall be defined as installations intended for removal within a period not to exceed 24 months.

3.12 Approvals

The applicant for a Service Connection shall be responsible for obtaining all permits, certificates, licences, inspections, reports, and other authorizations necessary for the installation and operation of the Service Connection and shall submit copies of them to FortisAlberta. FortisAlberta shall not be required to commence or continue installation or operation of a Service Connection unless and until the Customer has complied with the requirements of all governmental authorities, all permits, certificates, licences, inspections, reports and other authorizations, and all right-of-way agreements, and all FortisAlberta's requirements applicable to the installation and operation of the Service Connection. FortisAlberta reserves the right to verify that all necessary approvals have been obtained by applicants and Customers, however is not obligated to do so.

3.13 Other Customer Responsibilities

3.13.1 Protective Devices

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

3.13.2 Service Calls

FortisAlberta will require a Customer to pay the actual costs of a Customer-requested service call if the source of the problem is the Customer's facilities (see also Appendix A).

3.13.3 Standards for Connection

The Customer's installation shall conform to the requirements of FortisAlberta's guidelines and/or such further requirements as FortisAlberta may establish from time to time. Copies of such guidelines are available on request and from FortisAlberta's website.

3.13.4 Compliance with Governmental Directives

The Customer acknowledges and agrees that FortisAlberta may need to act in response to governmental or civil authority directives which may affect Customer's service including emergency orders or directions made pursuant to the *Alberta Disaster Services Act* R.S.A. 2000, c. D-13, as amended from time to time. The Customer agrees to cooperate with FortisAlberta in order to comply with the directives.

3.13.5 Interference with FortisAlberta's Property

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

responsible for all damage to or loss of such property unless occasioned by circumstances as determined in FortisAlberta's sole discretion to have been beyond the Customer's control, such as "Acts of God" and other similar circumstances. Such Facilities shall be installed at points most convenient for FortisAlberta's access and service and in conformance with applicable laws and regulations in force from time to time.

3.13.6 Effluent

The Customer agrees that if any part of the Customer's process or operations produces or emits effluent that may cause contamination to or otherwise affect the operation of FortisAlberta's Electric Distribution System (including without limitation, FortisAlberta's Facilities installed or interconnected to serve the Customer facilities) (the "Contamination"), the Customer shall immediately disclose this information to FortisAlberta personnel as soon as the potential for or actual Contamination, as the case may be, is known. Notwithstanding any other provision of the Terms and Conditions, the Customer shall indemnify FortisAlberta from any damage, injury, loss, costs and claims ("Costs") suffered or incurred by FortisAlberta, its agents or employees which are in any way incurred as a result of or connected with any effluent produced or emitted by the Customer's process or operations. Such Costs shall include, without limitation, all reasonable expenses incurred in cleaning up Contamination, upgrading FortisAlberta's Electric Distribution System to prevent any future occurrence of any similar contamination and/or to mitigate excessive costs of ongoing maintenance or, where Electric Distribution System upgrade is not feasible, the costs of continued maintenance of the Electric Distribution System resulting from Contamination. "Effluent" means any solid, liquid or gas, or combination of any of them, including, without limitation, salt, dust, smoke, particulate matter, debris, hazardous waste, chemicals, vapour, runoff, wastewater or sewage.

3.13.7 Protection of Facilities

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

The Customer shall furnish and maintain, at no cost to FortisAlberta, the necessary space, housing, fencing, barriers, and foundations for the protection of the facilities to

be installed upon the Customer's premises, whether the facilities are furnished by the Customer or FortisAlberta. If the Customer refuses, FortisAlberta may, at its option, furnish and maintain and charge the Customer for furnishing and maintaining the necessary protection. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to FortisAlberta's specifications and approval.

The Customer shall pay all costs of relocating FortisAlberta's Facilities at the Customer's request, for the Customer's convenience, or if necessary to remedy any violation of law or regulation caused by the Customer. If requested by FortisAlberta, the Customer shall pay the estimated cost of the relocation in advance.

The Customer will ensure that its facilities comply with the applicable requirements of the Canadian Electrical Code and with all technical guidelines issued from time to time by FortisAlberta. The Customer shall not use FortisAlberta's Service Connection or Distribution Tariff Services in a manner so as to cause undue interference with any other Customer's use of a Service Connection or Distribution Tariff Services such as an abnormal disturbance to the voltage, frequency and wave form of the electricity supply. At FortisAlberta's request, the Customer shall take whatever action is required to correct the interference or disturbance at the Customer's expense. In particular, the Customer will conduct its operations so that the Customer does not:

- (a) contribute to a level of voltage flicker in excess of 5%; or
- (b) exceed harmonic interference levels set out in FortisAlberta's current "Harmonic Specification for Harmonic Producing Customers Connected to FortisAlberta's Electric Distribution System".

The Customer will use reasonable efforts to conduct its operations in order to maintain a Power Factor of not less than 90% lagging.

Notwithstanding the provisions in Article 7, the Customer shall not, without the written consent of FortisAlberta, use its own generator facilities in parallel operation with FortisAlberta's Electric Distribution System.

A Customer shall not extend or permit the extension of facilities connected to FortisAlberta's Electric Distribution System beyond property owned, occupied or controlled by that Customer.

3.14 Unauthorized Use or Unsafe Conditions

If FortisAlberta finds an unauthorized use of electricity, including as a result of any tampering with a meter or any other FortisAlberta Facility, it may make such changes in its meters, appliances, or other Facilities or take such other corrective action as may be appropriate to ensure only the authorized use of the Facilities, and also to ensure the safety of the general public. Upon finding an unauthorized use of electricity, FortisAlberta may disconnect the Service Connection and charge the Customer all costs incurred in correcting the condition. Nothing in this section shall be deemed to constitute a waiver of any other rights of redress which may be available to FortisAlberta or to limit in any way any legal recourse which may be open to it. See also "Right to Disconnect the Customer's Service Connection".

3.15 Right to Enter the Customer's Property

3.15.1 Easements

By accepting Distribution Tariff Services, the Customer is deemed to have granted to FortisAlberta, without any cost to FortisAlberta, such easements or rights-of-way over, upon or under the property owned, controlled or leased by the Customer as FortisAlberta reasonably requires at any time for unimpeded ingress and egress for the purposes of the construction, installation, maintenance, repair, operation and removal of the Facilities required for a Service Connection to the Customer, for vegetation management, emergency response and the performance of all other obligations required to be performed by FortisAlberta hereunder.

3.15.2 Right of Entry

FortisAlberta's employees, agents and other representatives shall have the right to enter the Customer's property at all reasonable times and intervals for the purpose of installing, maintaining, replacing, testing, monitoring, reading, removing or disconnecting FortisAlberta's meters, meter reading devices, wires or other electrical equipment and appliances or other Facilities or for the purpose of discontinuing service or for any other purpose incidental to the provision of Distribution Tariff Services. The Customer shall not prevent or hinder FortisAlberta's entry. FortisAlberta will endeavour to provide reasonable notice to the Customer when it requires entry to the Customer's property.

3.15.3 Vegetation Management

In order to maintain safe and reliable service, the Customer must treat, trim or cut trees and brush that may interfere with the operation of FortisAlberta's Facilities on the Customer's property in accordance with applicable statutes, regulations, standards or codes. If the Customer does not treat, trim or cut trees and brush that may interfere with the operation of FortisAlberta's Facilities, FortisAlberta has the right to enter the Customer's property and perform these services without prior notice to the Customer and to charge the Customer a reasonable fee for this service.

3.16 Right to Disconnect the Customer's Service Connection

3.16.1 Disconnection Without Notice

If FortisAlberta believes there is any actual or threatened danger to life or property, or in any other circumstances, the nature of which, in FortisAlberta's sole judgment require such action, FortisAlberta has the right to withhold connection or to disconnect a Customer's Service Connection without prior notice to the Customer. More specifically, and without limitation of the foregoing, FortisAlberta may exercise this right in the event that:

- (a) in the opinion of FortisAlberta, the Customer has permitted the Customer's facilities to become hazardous, the Customer's Facilities fail to comply with applicable statutes, standards and codes and/or FortisAlberta requirements, or if the use of the Service Connection may cause damage to any other Service Connection or facilities;
- (b) to the knowledge of FortisAlberta, or in its sole judgement, the Customer's facilities are unsafe or defective or will become unsafe or defective imminently. In this event, the Service Connection may not be restored until the Customer facilities are approved by the appropriate authority. FortisAlberta shall provide written notice to the Customer within a reasonable time of the reason for the disconnection under this subsection and the actions required for reconnection;
- (c) on account of theft by the Customer of any FortisAlberta Facilities;

- (d) if any tampering with any service conductors, seals or any other Facilities of FortisAlberta or any meters, whether or not provided by FortisAlberta is discovered; or
- (e) if the Customer changes its requirements for a Service Connection or Distribution Tariff Services without the permission of FortisAlberta.

3.16.2 Disconnection With Notice

FortisAlberta may withhold connection or may disconnect a Customer's Service Connection (without prejudice to any of FortisAlberta's other remedies) after providing 48 hours advance notice to the Customer, as applicable, in the following circumstances:

- (a) if the Customer neglects or refuses to pay when due any amounts required to be paid under the Terms and Conditions (which amount is not the subject of a good faith dispute), with the exception that FortisAlberta will not disconnect a residential or farm service Customer:
 - i. at any time during the period from October 15 to April 15, or
 - ii. at any other time when the temperature is forecast to be below 0 degrees Celsius in the 24-hour period immediately following the proposed disconnection;
- (b) as required by law;
- (c) if the Customer is in violation of any of the Terms and Conditions or any of the terms of an Electric Services Agreement with FortisAlberta;
- (d) any other similar circumstances to those described above that FortisAlberta determines, in its sole discretion, acting reasonably, require the withholding or disconnecting of service upon 48 hours notice.

FortisAlberta also reserves the right to install a device to limit or reduce the amount of electric energy provided to the Customer.

3.17 Reconnection Following Disconnection by FortisAlberta of Customer's Service Connection

Following a disconnection of a Customer's Service Connection, FortisAlberta will reconnect the service upon request of the party who made the original disconnect request when the condition which led to the disconnection has been corrected and FortisAlberta has been paid:

- (a) the actual costs of reconnection as per Appendix A;
- (b) the Minimum Charge for the period of disconnection (up to a maximum of 10 months); and
- (c) all costs associated with FortisAlberta providing and/or installing such devices or equipment as may be necessary to resolve any problems and to prevent such future damage, interference or disturbance that was the result of the Customer's facilities, action or inaction.

The reconnection fee and the Minimum Charge for the first 10 months of disconnection referred to in (a) and (b) respectively above, shall be waived if the Service Connection has been disconnected for more than 14 consecutive months.

3.18 Removal of Facilities upon Disconnection of Service

After disconnection of a Service Connection, FortisAlberta will be entitled to enter upon and remove from the property owned or controlled by the Customer any of FortisAlberta's Facilities located upon the property.

ARTICLE 4 – PROVISIONS RELATING TO DISTRIBUTION TARIFF SERVICES (OTHER THAN SERVICE CONNECTIONS)

4.1 Retailer Qualification for Distribution Tariff Services

The Retailer must fulfill and maintain the following requirements to the satisfaction of FortisAlberta before FortisAlberta will provide Distribution Tariff Services to that Retailer:

- (a) submit to FortisAlberta a fully completed and executed Retail Service Agreement;

- (b) if the Retailer sells electricity to Customers with annual consumption of less than 250,000 kWh, furnish a certified copy of the license issued to it and warrant in writing to FortisAlberta that it is licensed pursuant to and will comply with the provisions of the *Fair Trading Act* R.S.A. 2000, c. F-2, and any regulations or policies made thereunder, as amended from time to time;
- (c) satisfy the credit requirements of FortisAlberta as described below in the Terms and Conditions;
- (d) warrant in writing to FortisAlberta that it will comply with the guidelines established in the Settlement System Code and that it has been registered by the Independent System Operator as a participant in the Power Pool;
- (e) meet the compliance testing protocol of FortisAlberta in respect of information exchange; and
- (f) meet any other requirements that FortisAlberta, acting reasonably, may impose in order to provide Distribution Tariff Services hereunder to the Retailer. If FortisAlberta determines that a Retailer must satisfy additional requirements under this section 4.1(f) in order to qualify for Distribution Tariff Services, the following process will apply:
 - i. where FortisAlberta is confronted with a situation which may materially alter the risk to FortisAlberta, or in order to comply with applicable legislation, FortisAlberta may implement the additional requirement and then apply to the Board for approval of same; or
 - ii. in all other circumstances, FortisAlberta shall apply to the Board for approval of the proposed additional requirement prior to implementing same.

Upon satisfaction of the above requirements, FortisAlberta will provide Distribution Tariff Services other than Service Connections to the Retailer, upon and subject to the Terms and Conditions. Subject to complying with all the applicable laws, and the directions or requirements of any of the entities mentioned above FortisAlberta reserves the right, upon giving the Retailer 10 Business Days notice, acting reasonably, to discontinue Distribution Tariff Services to that Retailer hereunder if at any time the Retailer fails to meet these requirements.

4.2 Credit Requirements

Retailers must satisfy the following security requirements in accordance with sections 8 through 12 of the *Distribution Tariff Regulation* A.R. 162/2003.

4.2.1 General

- (a) All Retailers must submit and maintain security in an amount equal to a credit limit calculated as the value projected by the Retailer of the Retailer's payments under FortisAlberta's Distribution Tariff over a 60-day period.
- (b) The security must be submitted and maintained in a form acceptable to FortisAlberta, consisting of any one of, or a combination of:
 - i. a cash deposit or bond in the name of FortisAlberta at a Canadian chartered bank, trust company, credit union, or other financial institution acceptable to FortisAlberta;
 - ii. an irrevocable letter of credit;
 - iii. an irrevocable bank guarantee; or
 - iv. an irrevocable guarantee, with supporting resolutions, from a person or persons (other than the Retailer) with a credit rating of at least BBB- from the Dominion Bond Rating Service (or any successor corporation) or equivalent rating from a major reputable bond rating service satisfactory to FortisAlberta.
- (c) The security required in (a) will be reduced if the Retailer provides its current credit rating (or its lowest credit rating if more than one has been obtained) of at least BBB- from the Dominion Bond Rating Service (or any successor corporation) or equivalent rating from a major reputable bond rating service satisfactory to FortisAlberta, in the following amounts:

Rating (or Lowest Rating)	Security Reduction
less than BBB-	\$0
BBB- to BBB+	\$10 000 000
A- to A+	\$15 000 000
AA- to AA+	\$20 000 000
AAA- or higher	\$25 000 000

- (d) A guarantee or guarantees provided under (b):
- i. from a person other than the Retailer may not exceed the amount of the security reduction that would arise under (c) if the Retailer had the same credit rating as the person providing the guarantee, and
 - ii. from two or more persons other than the Retailer may not exceed in total the amount of the largest single security reduction that would arise under (c) if the Retailer had the highest rating of any of the persons providing the guarantees.

All costs associated with obtaining security and meeting prudential requirements are the responsibility of the Retailer.

4.2.2 Additional Security

When the Retailer's actual outstanding charges under FortisAlberta's Distribution Tariff materially exceed the value projected by the Retailer under section 4.2.1 above, upon 5 Business Days notice by FortisAlberta, the Retailer shall either:

- (a) pay FortisAlberta in advance the amount by which the actual outstanding charges now exceed the projected value, or
- (b) provide additional security to FortisAlberta in accordance with section 4.2.1 above to a total equal to the actual outstanding charges.

If FortisAlberta, acting reasonably, determines that it is not secured in accordance with this clause for the financial obligation of the Retailer, FortisAlberta may, upon 5 Business Days notice, cease to provide additional Distribution Tariff Services

hereunder to that Retailer until the Retailer provides FortisAlberta with adequate security.

4.3 Application for Enrolment of Customers of the Retailer

In order to initiate the provision of Distribution Tariff Services by FortisAlberta, the Retailer shall complete and provide to FortisAlberta an application for Distribution Tariff Services in compliance with the Settlement System Code.

FortisAlberta will, subject to the Terms and Conditions, accept an application by a Retailer for provision of Distribution Tariff Services to a Customer hereunder. FortisAlberta reserves the right, but is not obligated, to verify the identity of the Customer and the accuracy of the Customer Information. FortisAlberta may deny the application if any information required in the application, including the Customer Information, provided by the Retailer is false, incomplete or inaccurate in any respect.

Upon receipt of an application from a Retailer, FortisAlberta will accept the application of the Retailer and recognize the Retailer as the Retailer of Record for the particular Customer.

FortisAlberta will, in compliance with the Settlement System Code, transfer an existing Point of Service receiving Distribution Tariff Services to the Retailer or notify the Retailer of the status of the enrolment. If an enrolment is accepted, FortisAlberta will notify the Retailer after the third Business Day of the effective date of the acceptance which shall be no later than 3 Business Days from the receipt of the enrolment request. If an enrolment is rejected, FortisAlberta will provide the Retailer with the reason(s) for the rejection.

Enrolments will be processed by FortisAlberta on a first-come, first-served basis. If more than one enrolment is received for a Point of Service while an earlier enrolment is pending, only the first valid enrolment received by FortisAlberta shall be processed in that period.

FortisAlberta reserves the right to refuse Distribution Tariff Services, at any Point of Service, to any Customer of the Retailer who is indebted to FortisAlberta. The Retailer will not be liable to FortisAlberta for any outstanding indebtedness of the Customer to FortisAlberta which accrued prior to the enrolment of the Customer to the Retailer.

4.4 Retailer Authorization

A Retailer shall be responsible for obtaining proper authorization from each Customer authorizing the enrolment of the Customer by the Retailer for receipt of Distribution Tariff Services.

4.5 Retailer Arrangements with Customers

Unless otherwise stated herein, the Retailer shall be solely responsible for having appropriate contractual or other arrangements with Customer(s) necessary to provide Electricity Services to Customers. FortisAlberta shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements and shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to obtain or maintain proper contractual or other arrangements with Customers or to perform its obligations to its Customers.

4.6 Single Retailer for Customer

FortisAlberta shall not be required to recognize and deal with more than one Retailer in respect of a Point of Service at any given time.

4.7 Retailer Identification Number

Any information exchange or communications between the Retailer and FortisAlberta under the Terms and Conditions shall employ a Retailer Identification.

4.8 De-enrolment as Retailer

To de-enrol as Retailer of Record for a particular Customer, a Retailer shall, at least 7 days before the de-enrolment is to take effect, complete and provide to FortisAlberta a notice of de-enrolment pursuant to the Settlement System Code. FortisAlberta may reject the notice of de-enrolment if FortisAlberta determines that any information required in the notice, including Customer Information, provided by the Retailer is false, incomplete or inaccurate in any respect. FortisAlberta reserves the right to verify the identity of the Customer and the accuracy of the Customer Information. Upon receipt of a notice of de-enrolment from a Retailer, FortisAlberta will either:

- (a) process the de-enrolment within 7 days; or
- (b) notify the Retailer within 2 Business Days that the notice of de-enrolment has been rejected and the reasons for such rejection. Upon receipt of a rectified notice of de-enrolment, FortisAlberta will, within 7 days, process the de-enrolment.

De-enrolled Points of Service for which FortisAlberta has received no enrolment application will be assigned to the Default Supplier in accordance with the RRR Regulation.

4.9 Metering

4.9.1 Meter Reading

FortisAlberta shall make an actual meter reading for each Point of Service for Customers of the Retailer in compliance with the requirements of the System Settlement Code. At the request of a Retailer of Record, FortisAlberta shall make an actual meter reading for every FortisAlberta billing period or at such other time as may be requested by the Retailer and FortisAlberta shall charge the Retailer for the additional meter reading expense as per Appendix A.

4.9.2 Record

An accurate record of meter readings will be kept by FortisAlberta which will be the basis for billing information provided to the Retailer in respect of its Customers and for billing by FortisAlberta to the Retailer in accordance with the Distribution Tariff.

4.9.3 Metering Data

Metering signals in the form of energy pulses, reactive energy pulses or analogue values of watts and Vars can be provided to a Retailer or a Customer upon request, and FortisAlberta will charge whichever of the Retailer or the Customer made the request. If the Customer directly requests such information, in no circumstances shall the Retailer be liable for such charges.

4.9.4 Estimated Consumption and Demand

The amount of energy used by a Customer will be estimated by FortisAlberta based on the best available sources of information and evidence in the following circumstances:

- (a) where the Customer's Point of Service is not metered;
- (b) where a meter is inaccessible due to conditions on the Customer's premises;
- (c) where the meter is not scheduled to be read;
- (d) where it is determined that the amount of energy used was different from that recorded or billed due to incorrect billing procedures;
- (e) where a meter reading schedule or a meter change creates a transition period in FortisAlberta's billing cycle; or
- (f) if the seal of a meter is broken or if the meter does not register correctly, regardless of the cause.

A small service which would otherwise be metered with a thermal demand meter may be billed on an estimated demand if, in FortisAlberta's opinion, the demand can be estimated with reasonable accuracy.

The demand of certain equipment which is used for short periods of time, such as arc welders, does not fully register on the thermal demand meters. Points of Service which include this type of equipment may be billed on an estimated demand.

FortisAlberta may disregard a new Peak Demand at a Point of Service for the purposes of billing the Distribution Tariff in the event such Peak Demand is the result of a Customer's behaviour in response to acts or omissions of FortisAlberta.

If requested by the Retailer, FortisAlberta will provide the Retailer with a description of the methodology used to estimate the use of energy by the Customers of the Retailer.

4.9.5 Metering Disputes

Measurement Canada regulates meter accuracy disputes. If a Retailer or Distribution Load Customer requests that the accuracy of a meter be tested, FortisAlberta charges a fee, pursuant to Appendix A attached hereto. If the meter is inaccurate, FortisAlberta will refund the fee and make appropriate adjustments to the applicable Customer or Retailer's bills. If the meter is found to be accurate, FortisAlberta will keep the fee to cover the cost of testing the meter.

4.9.6 Adjustments for Faulty Metering

FortisAlberta may make consumption and demand adjustments for faulty metering:

- (a) if the seal of a meter is broken or if the meter does not register correctly regardless of the cause;
- (b) when a Point of Service has been unmetered or incorrectly metered, regardless of the cause, or when a meter is found to be inaccurate in accordance with the *Electricity and Gas Inspection Act*, R.S. 1985, c. E-4 as amended from time to time; in these cases FortisAlberta will make adjustments for a period not exceeding 3 months, unless it can be shown that the error was due to some specific reported cause, the date of which can be fixed, in which case the actual date shall be used; or
- (c) where a Point of Service is unmetered and any seal attached to motors or other equipment is broken or any unauthorized change in the Facilities has been made.

In accordance with Section 9 of the Regulated Default Supply Regulation A.R. 168/2003 and notwithstanding the section "Adjustment of Bills in Event of Billing Error", in any of the above noted cases FortisAlberta may make adjustments for the lesser of the period of the error or one year.

4.10 Settlements

4.10.1 Load Settlement Information

In accordance with the Settlement System Code, FortisAlberta shall provide the Load Settlement Services. FortisAlberta shall determine and report to the Retailer and the Independent System Operator the Load per hour for the aggregate of all Customers of the Retailer, as metered or estimated by FortisAlberta for Power Pool financial settlement purposes. Daily, interim and final hourly Load data for the sum of all Points of Service supplied by the Retailer will be provided in compliance with the Settlement System Code.

4.10.2 Provision of Individual Customer Load Profiles to Retailers

At the request of the Retailer, FortisAlberta will provide to the Retailer individual Customer Load profiles.

4.10.3 No Liability for Estimating Errors

The process of Retailer Load estimation involves statistical samples and estimating error. FortisAlberta shall not be responsible for any sampling or estimating errors and shall not be liable to any Retailer for any costs that are associated with such errors.

4.11 Exchange of Information

4.11.1 Provision of Customer Information to Retailer

FortisAlberta shall provide Customer Usage Information to a Retailer upon request and only after receiving written consent to such disclosure from the Customer.

Prior to requesting FortisAlberta to release the Customer Usage Information, the Retailer shall be responsible for obtaining and providing to FortisAlberta the written authorization from the Customer referred to above in a form satisfactory to FortisAlberta.

4.11.2 Provision of Information between FortisAlberta and Retailer

FortisAlberta and the Retailer shall supply to each other all other data, materials or other information specified to be supplied in the Terms and Conditions, or that may otherwise be reasonably required by the Retailer or FortisAlberta in accordance with the Terms and Conditions. See Appendix A for charges that will apply to certain requests made to FortisAlberta.

4.12 Discontinuance of Distribution Tariff Services at Request of Customer or Retailer

Customers arrange for termination of Distribution Tariff Services through their Retailer of Record. If Distribution Tariff Services are no longer required, the Retailer of Record must notify FortisAlberta at least 5 days before the service is to be discontinued. At the request of the Customer or Retailer, as applicable, FortisAlberta will also leave all of its Facilities in place after a discontinuance of service if the Customer or the Retailer, as applicable, is

eligible for FortisAlberta's idle service option and this option is chosen or the Customer agrees to pay the Minimum Charge. If disconnection of the Service Connection is requested, the terms of section "Disconnection and Permanent Termination of Service by Customer" apply.

4.13 Discontinuance of Distribution Tariff Services by De-energization

A Retailer may request that FortisAlberta de-energize a site. To discontinue Distribution Tariff Services through De-energization, a Retailer shall, at least 7 days before the site is to be de-energized, complete and provide to FortisAlberta a notice of De-energization pursuant to the requirements of the Settlement System Code. Such notice of De-energization shall clearly specify the Retailer's reason(s) for seeking to de-energize a site. FortisAlberta reserves the right to verify the identity of the Customer of the Retailer pursuant to which De-energization has been requested, and the accuracy of the Customer Information that has been provided by the Retailer. Upon receipt of such notice, FortisAlberta will either:

- (a) process the De-energization within 7 days; or
- (b) notify the Retailer within 2 Business Days that the notice of De-energization has been rejected and the reasons for such rejection. Upon receipt of the rectified notice of De-energization, FortisAlberta will, within 7 days, process the De-energization.

Notwithstanding the foregoing:

- (c) FortisAlberta may reject the notice of De-energization if FortisAlberta, acting reasonably, determines that any information required in the application, including the Customer Information provided by the Retailer, is false, incomplete or inaccurate in any respect;
- (d) FortisAlberta will not process a De-energization if FortisAlberta, acting reasonably, believes De-energization would cause any actual or threatened danger to life or property;

- (e) FortisAlberta will not disconnect a residential or farm service Customer:
- i. at any time during the period from October 15 to April 15, or
 - ii. at any other time when the temperature is forecast to be below 0 degrees Celsius in the 24-hour period immediately following the proposed disconnection,
- although FortisAlberta reserves the right to install a device to limit or reduce the amount of electric energy provided to the Customer; and
- (f) at the request of the Retailer or the Customer, FortisAlberta will leave all of its Facilities in place after the Point of Delivery has been de-energized if the Retailer or Customer, as applicable, agrees to continue to pay the Minimum Charge.

Upon De-energization, the Retailer shall no longer be the Customer's Retailer of Record unless otherwise requested by the Retailer in writing to FortisAlberta.

ARTICLE 5 – BILLING

5.1 Wholesale Billing Only

FortisAlberta bills the Retailer of Record the amounts payable for Distribution Tariff Services in accordance with the Terms and Conditions and the *Billing Regulation*, A.R. 159/2003, as amended from time to time. FortisAlberta will not assume any billing or collection obligations or responsibilities related to billing Customers or collecting from Customers for, or on behalf of, a Retailer. FortisAlberta will bill Customers directly for any amounts required according to the Terms and Conditions.

5.2 Determination of Applicable Rates

FortisAlberta bills the Retailer of Record based on the charges set out in the Rate Sheets. FortisAlberta's Rate Sheets in the Distribution Tariff indicate to what type of service each Rate Sheet applies. Each Point of Service is billed as a separate service.

The rate selection criteria are specified on each Rate Sheet. If the operational characteristics of the Point of Service change and subsequently a different rate is applicable, the Customer

may be required to pay an additional Customer Contribution. A change of service under this section will not be made more than once in any 12-month period.

5.3 Minimum Charges

The Minimum Charge will be calculated in accordance with the Rate Sheets.

5.4 Consumption Period

The basis of all charges to the Retailer for Distribution Tariff Services provided to a Customer is the consumption period, defined as the time between two consecutive meter readings, or estimates thereof, for the Customer's site, unless otherwise indicated in the applicable Rate Sheet. For each Customer, basic monthly and capacity charges are prorated over the consumption period using the following formulas:

- (a) $\text{basic monthly charge} \times \text{days in consumption period} \times 12 \div 365$
- (b) $\text{charge per unit} \times \text{capacity units} \times \text{days in consumption period} \times 12 \div 365$
- (c) $\text{charge per unit} \times \text{capacity units} \times \text{days in consumption period} \div 214$, for irrigation service consumption from April 1 to October 31

For newly connected services, the first consumption period begins on the earlier of the date the service was connected or thirty days from when the service was made available to the Customer.

5.5 Billing Period

The billing period for the Retailer is defined generally as the calendar month directly preceding the month in which the associated bill is issued to the Retailer. The amount charged to the Retailer for the billing period reflects the aggregate of charges for Distribution Tariff Services provided to Customers of the Retailer, with consumption periods that end within the billing period.

5.6 Billing Information

A bill to the Retailer for the amounts payable by the Retailer for Distribution Tariff Services will set out the following information with respect to the billing period for which the bill is rendered:

- (a) the total amount due from the Retailer for Distribution Tariff Services provided by FortisAlberta to Customers of the Retailer;
- (b) details of the amount due from the Retailer for Distribution Tariff Services provided by FortisAlberta as applicable to each of the Retailer's Customers; and
- (c) any other information required to be provided by FortisAlberta to the Retailer on a bill issued by FortisAlberta to the Retailer pursuant to the Act and Regulations.

5.7 Payment of Account

FortisAlberta will bill the Retailer as contemplated above in the month immediately following the billing period during which the Distribution Tariff Services are provided. The Retailer shall pay to FortisAlberta, within 10 days after the bill is issued, or, in the event that the tenth day after the bill is issued is not a Business Day, by the close of the first Business Day following the tenth day after the bill is issued, the amount billed by FortisAlberta for the preceding billing period. Should the Retailer dispute any amount owing, the Retailer shall nonetheless pay such disputed amount and subject the dispute for resolution in accordance with the Terms and Conditions. Following resolution of any such dispute, FortisAlberta will return any amount found owing to the Retailer forthwith. The right or ability of either party to dispute a bill provided hereunder shall only apply to bills rendered during a period of one year prior to the date that the disputing party first gives written notice of such dispute to the non-disputing party. Failure to receive a bill in a timely way does not release a Retailer from the obligation to pay the amount owing on the bill.

5.8 Late Payment

FortisAlberta shall add a late payment charge of 1.5% per month (19.56% per annum) on any overdue amounts for which payment has not been received by FortisAlberta from a Retailer either:

- (a) within 10 days after the date of issue of the bill; or
- (b) in the event that the tenth day after the date of issue of the bill is not a Business Day, by the close of the first Business Day following the tenth day after the date of issue of the bill.

5.9 Adjustment of Bills in Event of Billing Error

Where FortisAlberta overcharges or undercharges on a bill as a result of a billing error including, but not limited to, incorrect meter reads or any calculation, rate application or clerical errors, FortisAlberta shall render an adjusted bill for the amount of the undercharge, without interest, and shall issue a refund or credit to the Retailer for the amount of the overcharge, without interest, in accordance with Section 9 of the *Regulated Default Supply Regulation* A.R. 168/2003 and the following procedures:

- (a) If a Retailer is found to have been overcharged due to billing error, FortisAlberta will calculate the amount of the overcharge (for refund to the Retailer on the Retailer's next bill following the discovery of the billing error) for those billing periods during which a billing error occurred up to a maximum of the 12 billing periods immediately preceding the month in which the billing error was discovered. However, if the period of billing error cannot be determined with reasonable accuracy, the overcharge will be calculated for the three billing periods immediately preceding the month in which the billing error was discovered.
- (b) If a Retailer is found to have been undercharged due to billing error, FortisAlberta will bill the Retailer for those billing periods during which a billing error occurred up to a maximum of the 12 billing periods immediately preceding the month in which the billing error was discovered. However, if the period of billing error cannot be determined with reasonable accuracy, the undercharge will be calculated for the three billing periods immediately preceding the month in which the billing error was discovered.

Whenever FortisAlberta adjusts any bills to the Retailer in the event of billing error, and issues an adjusted bill or a refund or credit to the Retailer in respect thereof, the Retailer shall be responsible for adjusting bills and issuing refunds or credits as appropriate to the affected Customers.

5.10 Billing the Customer

FortisAlberta may bill the Customer directly for Customer Contribution, meter tests or other services covered in the Terms and Conditions. A late payment charge of 1.5% per month (19.56% per year) is applied if the Customer's payment has not been received by FortisAlberta before one month from the date the bill was issued. The Customer is charged a \$20.00 dishonoured cheque charge for each cheque returned for insufficient funds.

Services transferred to an affiliate or successor of the Customer carrying on the same business at the same Point of Service shall be subject to the previous Customer's Electric Service Agreement terms and billing history. See the subsection herein called "Transfer of Contractual Obligations" under the section "Customer Contracts".

ARTICLE 6 – SPECIFIC PROVISIONS RELATING TO TRANSMISSION CONNECTED SERVICES

6.1 General

This section sets out specific FortisAlberta Terms and Conditions related to Transmission Load Customers that are in addition to any terms and conditions that are applicable as described in other sections of the Terms and Conditions.

Transmission Connected Customers taking service from FortisAlberta will be subject to the provisions of the Independent System Operator approved tariff as it applies to FortisAlberta at the Point of Delivery (POD) to which the Transmission Load Customer's service is connected. This includes an application of all tariff amounts such as, but not limited to, contributions, riders, application fees, miscellaneous charges, study costs or Independent System Operator deferral account dispositions that are paid to or refunded by the Independent System Operator, in accordance with the Independent System Operator's approved tariff.

6.2 System Access Service

FortisAlberta arranges for provision of System Access Service from the Independent System Operator for all Customers. The arrangements for System Access Service and the associated transmission facilities for Transmission Load Customers will be aligned with the Transmission Load Customer's service requirements recognizing that the rates, terms and conditions of the Independent System Operator tariff will be applied directly to the Transmission Load Customer.

FortisAlberta is not obligated to commit to the Independent System Operator for commencement of the construction of new facilities required for System Access Service for a Transmission Load Customer until adequate credit arrangements, guarantees and Commitment Agreements, acceptable to FortisAlberta, are made with the Transmission Load Customer.

The Transmission Load Customer is required to sign an Electric Service Agreement with FortisAlberta and an interconnection agreement with the Transmission Facility Owner prior to the System Access Service Agreement being executed.

6.3 Metering

The meter of the Transmission Connected Service is the meter at the respective Point of Delivery. Consequently, metering equipment shall be installed in accordance with any Independent System Operator metering requirements. Any contribution associated with installation, changes or upgrades to metering to satisfy these requirements will be the responsibility of the Transmission Connected Customer.

6.4 Billing

A Point of Service will be billed as Rate 65 in accordance with the Rate Sheets, riders and options in the Distribution Tariff.

6.5 Customer Contributions

If a customer contribution is required by the Independent System Operator for Transmission Facilities to provide System Access Service to a Transmission Load Customer, charge of such contribution will apply directly to the Customer. Payment must be made in accordance with the Independent System Operator tariff.

6.6 Changes to System Access Service

For any POD which is the Point of Service for a Transmission Load Customer, FortisAlberta will make a request to the Independent System Operator for an increase or reduction in transmission contract levels or a change to the terms of System Access Service only upon written request from the Transmission Load Customer.

Changes to a Transmission Load Customer's contract levels or terms of System Access Service will be effective only upon agreement between FortisAlberta and the Independent System Operator.

The Customer will pay any costs and receive any refunds from the Independent System Operator that occur as a result of any such changes.

6.7 Transmission Related Exit Costs

If a service for a Transmission Load Customer is terminated or disconnected, the Customer shall pay all transmission related exit costs, which include:

- (a) any costs charged by the Independent System Operator to FortisAlberta, as a direct consequence of the Customer's termination or disconnection of service;
- (b) the present value of any ongoing System Access Service costs for the particular POD that are attributable to the Customer and that will not be recovered by FortisAlberta from the Customer as a direct consequence of the Customer's termination or disconnection of service,
- (c) any other un-recovered transmission related amounts as stipulated in the contract between FortisAlberta and the Customer; and
- (d) any outstanding amounts attributable to the Customer with respect to, but not limited to, any deferral accounts, rate riders or Board decisions.

6.8 Section 101(2) Release

In accordance with section 101(2) of the Act, Transmission Connected Customers may request the right to contract for System Access Service directly with the Independent System Operator. Should FortisAlberta agree to such release, FortisAlberta reserves the right to bill the released Customer directly for all Board approved riders and charges arising from services supplied by the distribution company prior to the release.

ARTICLE 7 – SPECIFIC PROVISIONS RELATING TO DISTRIBUTION CONNECTED GENERATORS

7.1 General

This section sets out specific FortisAlberta Terms and Conditions related to Distribution Connected Generating Customers (DG Customers) that are in addition to any terms and conditions that are applicable as described in other sections of this document.

DG Customers have generating facilities that are interconnected to the Electric Distribution System and may or may not be exporting energy to the AIES. DG Customers may also have

on-site load requirements or generator stand-by/supplemental load requirements to which the applicable Terms and Conditions for Distribution Tariff Services will apply.

All DG Customers are required to enter into an interconnection agreement with FortisAlberta (an "Interconnection Agreement") to establish detailed terms, conditions and provisions with respect to safe and effective operation of the specific interconnection.

7.2 Interconnection

A DG Customer or any other person acting on the behalf of the DG Customer must apply in writing for interconnection to the Electric Distribution System. The application must include all relevant information concerning site location, facility requirements and requested export levels. Any requested changes to these requirements must be provided in writing to FortisAlberta.

The interconnection of a generator to the Electric Distribution System shall not create a safety hazard to Customers, the public or operating personnel, nor compromise the reliability, power quality or effective operation of the interconnected distribution or transmission system, and shall comply with all applicable legislation, policies, standards, rules or codes of federal, provincial or local regulatory entities, Independent System Operator or wire owners, as they may change from time to time.

Prior to interconnecting generating facilities with the distribution system, the DG Customer shall:

- (a) satisfy all participant and application requirements of the Independent System Operator (if the generator is producing electricity beyond the on-site requirements thereby exporting into the AIES and exchanging energy through the Power Pool);
- (b) obtain mutual acceptance of the Operating Procedures by the DG Customer and FortisAlberta;
- (c) obtain and provide copies of required permits, licenses and authorizations to FortisAlberta;
- (d) satisfy all requirements of FortisAlberta in relation to the generating facility metering (see below); and

- (e) execute an Interconnection Agreement, which includes Operating Procedures, with FortisAlberta.

7.3 Continuity, Interruption or Disconnection of Service

In addition to the provisions of section 10.6, the Interconnection Facilities will include an acceptable visible disconnect switch as a means of isolating the DG Customers generating facilities from FortisAlberta distribution Facilities. FortisAlberta may disconnect the DG Customers generating facilities from FortisAlberta distribution Facilities without prior notice where in FortisAlberta's opinion:

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

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

7.4 Approvals

The DG Customer must obtain written approval from FortisAlberta before any modification is made to the generating facilities.

The DG Customer will be responsible for becoming a Power Pool participant and complying with any Independent System Operator requirements for any energy delivered to the Power Pool.

The DG Customer will be responsible for providing technical information to FortisAlberta as required. FortisAlberta will treat this information as confidential and will not release such information to any other parties without the expressed and written consent of the DG Customer.

The DG Customer will be responsible for operating in compliance with accepted industry operating and maintenance standards as established, from time to time, by the Independent System Operator and FortisAlberta, and as specified in the Operating Procedures between the DG Customer and FortisAlberta. FortisAlberta shall have the right, but not the obligation, to inspect the DG Customer's facilities for compliance.

The DG Customer shall obtain and provide to FortisAlberta copies of all required permits, licenses and authorizations prior to commencement of service or any change or service requirements at any Point of Interconnection, which includes:

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

7.5 Metering

The DG Customer shall be responsible for all metering, polling and provision of metering data with respect to the DG Customer's generating facilities.

The DG Customer is responsible for the installation, maintenance and operation of metering facilities to measure active energy and reactive energy, both generated and consumed by the DG Customer, in compliance with the standards set by FortisAlberta and the applicable provincial and federal regulators.

The DG Customer shall read the meter and provide the required metering data to FortisAlberta and the Independent System Operator in a format and frequency that is acceptable to these entities. FortisAlberta may use the metering data for internal settlement use.

Telemetry is required for all generating units larger than 5,000 kW or where the Independent System Operator has determined that telemetry is required to meet their needs.

7.6 DG Customer Charges/Credits

The following charges and credits apply to a DG Customer:

7.6.1 Interconnection Charges

The DG Customer shall pay all interconnection charges for interconnection and utilization of distribution system Facilities, including:

- (a) **Interconnection Facilities Costs**, which are the capital costs of DG Customer's Interconnection Facilities, as determined by FortisAlberta;
- (b) **Prepaid Operation & Maintenance Charge**, if applicable (see below);
- (c) **Transmission Costs** for any transmission related costs associated with the interconnection, as determined and assessed by the Independent System Operator or a Transmission Facility Owner and flowed through to FortisAlberta; and
- (d) **Application Fee** associated with FortisAlberta performing engineering estimates, planning, operating or protection studies or any additional studies required by the Independent System Operator.

If a DG Customer also has on-site load or generator stand-by / supplemental requirements the FortisAlberta Terms and Conditions governing such services will apply.

The DG Customer must pay the Interconnection Charges before any work on the interconnection proceeds. Payment made by DG Customers for Interconnection Facilities Costs does not entitle DG Customers to ownership of any such Facilities. The DG Customer may be required to pay further Interconnection Facilities Costs or Transmission Costs at a later date, for modifications or upgrades to the distribution or transmission system that would not have otherwise been required if the generator were not interconnected to the distribution system, including the replacement or repair costs of assets at the end of their useful life.

In the event that the DG Customer cancels a generator interconnection project, the DG Customer will pay all additional costs related to the cancellation of the project incurred by FortisAlberta.

After a generating facility is interconnected, payment of Interconnection Facilities Costs is non-refundable. If an interconnection for a DG Customer is no longer required, the DG Customer is credited with the value of any Interconnection Facilities that may be salvaged, less the costs of undertaking the salvage.

7.6.2 Operation and Maintenance Charge

Operation and Maintenance (“O&M”) amounts will be determined in accordance with Table 4 of Appendix B attached hereto. The DG Customer will pay O&M on a prepaid or biannual basis. The biannual O&M Charge will be payable as long as the Interconnection Facilities are in place to serve the DG Customer. O&M charges will apply to charges related to future Facilities costs for modifications or upgrades, including replacement or repair.

7.6.3 System Access Service Credits/Charges

DG Customers that export to the AIES receive Option M credits or charges where incremental transmission System Access Service costs to FortisAlberta are avoided or incurred.

7.6.4 Distribution Loss Reduction Credits/Charges

Distribution line losses, loss reduction credits and incremental loss charges are not applicable.

7.7 Protective Devices and Liability

For the purposes of this section, “islanding” refers to the operation of a generating unit wherein it provides the sole source of production on an electric distribution system.

The DG Customer shall be responsible for determining whether it needs any devices to protect its equipment from damage that may result from the interconnection to FortisAlberta Facilities. The DG Customer shall provide and install any such devices. The DG Customer will provide FortisAlberta with the required documentation and settings for such devices. Where FortisAlberta has determined that there are adverse impacts on other consumers or operating processes, FortisAlberta can order modifications to these protective systems. The DG Customer must obtain written approval from FortisAlberta for any modifications. The DG Customer must use reliable means to insure the generators do not island during interruptions of service to FortisAlberta’s distribution system.

The DG Customer shall be responsible for any damages as a result of, but not limited to:

- (a) islanded operation of the DG Customer's Facility;
- (b) if direct or transfer tripping is not installed on FortisAlberta or Transmission Facilities or, if installed, it fails to operate correctly, the failure of the DG Customer's Facility to detect and clear an electrical fault that occurs on FortisAlberta or Transmission Facilities;
- (c) if live-line close blocking is not installed on the FortisAlberta or Transmission Facilities or, if installed, it fails to operate correctly, the failure of the DG Customer's Facility to shut down after disconnection from the FortisAlberta or Transmission Facilities and before the automatic reclosing of the FortisAlberta or Transmission switching devices; and
- (d) asynchronous reclosing on the DG Customer's Facility.

7.8 Service Calls

FortisAlberta may require a DG Customer to pay the actual costs of a DG Customer's requested service call if the source of the problem is the DG Customer's own facilities or if the generator company fails to respond to a request to disconnect from the distribution system.

7.9 Exchange of Information

The DG Customer will be responsible for providing technical information to FortisAlberta as required. FortisAlberta will treat this information as confidential and will not release such information to any other parties without the written consent of the DG Customer. Information related to distribution system use or modeling of such use, may be restricted in order to respect Customer confidentiality.

FortisAlberta will be responsible for providing technical information to the DG Customer as required. The DG Customer will treat this information as confidential and will not release such information to any other parties without the written consent of FortisAlberta. Information related to distribution system use or modeling of such use may be restricted in order to respect confidentiality of Responsible Parties.

ARTICLE 8 – LIABILITY AND INDEMNITY

8.1 FortisAlberta Liability

8.1.1 General

Notwithstanding any other provision of the Terms and Conditions or any provision of an agreement between FortisAlberta and a Responsible Party relating to the provision of Distribution Tariff Services (a “FortisAlberta Agreement”), FortisAlberta, its directors, officers, agents, employees, and representatives (“FortisAlberta Parties”), will not be liable to a Responsible Party, its directors, officers, agents, employees or representatives (the “Applicable Parties”) for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by Applicable Parties, whether of a direct, indirect or consequential nature, howsoever or whensoever caused, and whether in any way caused by or resulting from the acts or omissions of FortisAlberta Parties, except for direct property damages incurred by a Responsible Party as a direct result of a breach of the Terms and Conditions or applicable FortisAlberta Agreement or other act or omission by a FortisAlberta Party, which breach or other act or omission is caused by the negligence or wilful acts of harm of such FortisAlberta Party. Any liability under this section will be limited to an amount in proportion to the degree to which the FortisAlberta Party acting negligent or wilfully harmful is determined to be at fault.

8.1.2 Release

Subject to section 8.1.1 above, FortisAlberta Parties (as defined above) will not be liable to Applicable Parties (as defined above) for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by Applicable Parties, howsoever and whensoever caused, and each Applicable Party hereby forever releases FortisAlberta Parties from any liability or obligation in respect thereof.

8.1.3 FortisAlberta Not Liable to Customer of Retailer

For greater certainty and without limitation to the foregoing in sections 8.1.1 and 8.1.2 above, FortisAlberta Parties shall not be liable to a Customer for any damages of any kind (except to the extent FortisAlberta is liable for such damages in accordance with section 8.1.1):

- (a) caused by or arising from any FortisAlberta Party's conduct in compliance with, or as permitted by, the Terms and Conditions for Distribution Tariff Services to Retailers, a Retail Service Agreement between FortisAlberta and a Retailer or any legal or regulatory requirements related to service provided to Retailers;
- (b) caused to the Customer and arising from any failure of a Retailer to comply with the Terms and Conditions, a Retailer Service Agreement or for any damages caused by or arising from equipment installed or actions taken by a Retailer;
- (c) caused by or arising from a Retailer's failure to perform any commitment to the Customer, including but not limited to the Retailer's obligation to provide Electricity Services including Distribution Tariff Services to the Customer; or
- (d) caused by or resulting from any acts, omissions or representations made by a Retailer in connection with soliciting Customers for Distribution Tariff Services or performing any of the Retailer's functions in providing Distribution Tariff Services.

8.2 Responsible Party Liability

8.2.1 General

In addition to any other liability provisions set out in the Terms and Conditions or any provision in a FortisAlberta Agreement, an Applicable Party (as defined above) shall be liable for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by FortisAlberta Parties (as defined above), whether of a direct or indirect nature, caused by or arising from any acts or omissions of an Applicable Party that result in a breach ("Breach") of the Terms and Conditions or the applicable FortisAlberta Agreement, or any negligent or wilful acts or omissions of harm of an Applicable Party outside of a Breach. Any liability under this section will be limited to an amount in proportion to the degree to which the Applicable Party is at fault.

8.2.2 Indemnification by Retailer to FortisAlberta for Third Party Claims

- (a) A Retailer (the "Indemnitor") shall indemnify and hold harmless FortisAlberta Parties (as defined above) ("Indemnitee(s)") from and against any direct

damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claims, causes of action, actions, suits or proceedings by a third party ("Claim") which arise from damage to property or injury to or death of persons resulting from the Indemnitor's failure to perform its obligations under the Terms and Conditions or the applicable FortisAlberta Agreement (as defined above), which failure is caused by the negligence or wilful act or omission of harm of the Indemnitor acting within the scope of its authority or employment. The indemnity under this section will be limited to an amount in proportion to the degree to which the Indemnitor is at fault.

- (b) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this section, such Indemnitee will give the Indemnitor prompt notice of the Claim, which shall describe the Claim in reasonable detail and shall indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.
- (c) Subject to section 8.2.2(b) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under section 8.2.2(a) in respect of:
 - i. all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third-party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor shall be entitled, at its option, to take carriage of the defence of the Claim by its own counsel and, if it

elects to do so, the Indemnitee shall cooperate with the Indemnitor to the fullest reasonable extent in the defence, settlement or compromise of the Claim; or

- ii. some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee shall not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent shall not be unreasonably withheld.

The provisions of this section 8.2.2 shall not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defences in relation to the Claim that conflict with legal defences being asserted by the Indemnitor.

8.3 Force Majeure

If an event or circumstance of Force Majeure occurs that affects FortisAlberta's ability to provide a Distribution Tariff Service, FortisAlberta's obligations and responsibilities hereunder and under any agreement relating to the provision of Distribution Tariff Services with a Responsible Party, so far as they are affected by the Force Majeure or the consequences thereof, shall be suspended until such Force Majeure or the consequences thereof are remedied and for such period thereafter as may reasonably be required to restore the Distribution Tariff Services. A Responsible Party will be required to continue to pay the

Minimum Charge, if applicable, during the period in which FortisAlberta claims relief by reason of Force Majeure.

8.4 Notice

FortisAlberta shall promptly give the other party notice of the Force Majeure including full particulars thereof and shall promptly give the relevant party notice when the Force Majeure ceases to prevent performance of FortisAlberta's obligations.

8.5 Obligation to Remedy

FortisAlberta shall promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

8.6 Strikes and Lockouts

Notwithstanding any other provision of the Terms and Conditions, the settlement of any strike, lockout or other industrial disturbance affecting FortisAlberta shall be wholly in the discretion of FortisAlberta and FortisAlberta may settle such strike, lockout or industrial disturbance at such time and on such terms and conditions as it may deem appropriate. No failure or delay in settling of such strike, lockout or industrial disturbance shall constitute a cause or event within the control FortisAlberta or deprive FortisAlberta of the benefits of this section.

ARTICLE 9 – ARBITRATION

9.1 Resolution by FortisAlberta and Responsible Party

If any dispute between FortisAlberta and a Responsible Party shall arise at any time in connection with the Terms and Conditions which is not otherwise resolved, FortisAlberta and the Responsible Party, acting reasonably and in good faith, shall use all reasonable efforts to resolve the dispute as soon as possible in an amicable manner.

9.2 Resolution by Arbitration

If any dispute has not been resolved within 30 days after written notice from FortisAlberta or the Responsible Party to the other of its desire to have the dispute resolved, then upon written notice by either party the dispute shall be resolved through arbitration.

9.3 Arbitrators

All disputes or differences between FortisAlberta and a Responsible Party in connection with the Terms and Conditions shall be referred to a single arbitrator, agreed upon by both parties. In the event that the parties cannot agree to a single arbitrator within 10 days of receiving written notice of arbitration, all disputes or differences shall be referred to a Board of Arbitrators consisting of one (1) arbitrator to be appointed by each of FortisAlberta and the Responsible Party who shall, by instrument in writing, appoint a third arbitrator within 20 days of written notice for arbitration, after they are themselves appointed. The arbitrator or arbitrators shall render a decision within 30 days of the latest appointment.

9.4 Refusal to Appoint an Arbitrator

If either FortisAlberta or the Responsible Party shall neglect or refuse to appoint an arbitrator within 10 days after the other party (provided such other party has appointed its arbitrator) has served FortisAlberta or the Responsible Party, as the case may be, with written notice to make the appointment, the party who has appointed its arbitrator shall be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint an arbitrator for the party in default.

9.5 Failure to Appoint a Third Arbitrator

If the arbitrators appointed by FortisAlberta and the Responsible Party have not, within 20 days after their appointment or the appointment of the arbitrator last appointed, as the case may be, appointed a third arbitrator, either FortisAlberta or the Responsible Party shall be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint such an arbitrator.

9.6 Technical Competence

Any arbitrator appointed under the provisions of this Article whether by concurrence of FortisAlberta and the Responsible Party, by either party, by the arbitrators, or by a Justice of the Court of Queen's Bench of Alberta shall, in the opinion of the persons making such appointment, be possessed of such technical or other qualifications as may be reasonably necessary to enable him to properly adjudicate upon the dispute or difference.

9.7 Compensation of Arbitrators

Each party shall be responsible for the costs of the arbitrator appointed by it hereunder. The costs of a single arbitrator or the third arbitrator, as the case may be, shall be divided evenly between the parties.

9.8 Application of the *Arbitration Act* (Alberta)

The arbitration shall be conducted in accordance with the *Arbitration Act*, R.S.A. 2000, c. A-43, as amended from time to time. In the event of a conflict between these Terms and Conditions and the *Arbitration Act*, these Terms and Conditions shall prevail. Notwithstanding the foregoing, any disputed matters between FortisAlberta and a Retailer relating to an order or direction made or approved by the Board or falling within the exclusive jurisdiction of the Board, shall be referred to the Board for resolution.

9.9 Decisions Binding

A decision of the single arbitrator, or the majority of the three arbitrators named or appointed, shall be final and binding upon each of the parties to the dispute or difference.

9.10 Continuity of Distribution Tariff Services

All performance required under the Terms and Condition by FortisAlberta and the Responsible Party and payment shall continue during the dispute resolution proceedings contemplated by this Article provided that, in the case of any such proceedings pertaining to amounts payable under the Terms and Conditions, any payments or reimbursements required as a result of the proceedings shall be effective as of a date to be determined in such proceedings and interest shall be paid thereon by the party required to make the payment or reimbursement on the amount thereof at the rate quoted by the Royal Bank of Canada as its "prime rate" from the date so determined until paid.

ARTICLE 10 – ADDITIONAL PROVISIONS RELATING TO DISTRIBUTION TARIFF SERVICES

10.1 Ownership of Facilities

FortisAlberta remains the owner of all distribution Facilities necessary to provide Distribution Tariff Services to Responsible Parties unless an agreement between FortisAlberta and the Responsible Party specifically provides otherwise.

Payment made by Responsible Parties for costs incurred by FortisAlberta in installing Facilities does not entitle Responsible Parties to ownership of any such Facilities, unless an agreement between FortisAlberta and the Responsible Parties specifically provides otherwise.

10.2 Proper Use of Services

The Responsible Parties assume full responsibility for the proper use of the Service Connection and Distribution Tariff Services provided by FortisAlberta and for the condition, suitability and safety of any and all wires, cables, devices or appurtenances energized by energy on the Responsible Party's premises or on premises owned or controlled by the Responsible Party that are not the Responsible Party's property. The Responsible Party shall be liable for any loss, damage, expense, charge, cost or other liability of any kind, whether to FortisAlberta, its agents or employees, FortisAlberta property or otherwise, arising directly or indirectly by reason of: (i) the routine presence in or use of energy over the wires, cables, devices or other Facilities owned or controlled by the Responsible Party; (ii) the Responsible Party's improper or negligent use of energy or electric wires, cables, devices or other Facilities; or (iii) the negligent acts or omissions or wilful acts or omissions of the Responsible Party or any person permitted on such Responsible Party's property.

10.3 Distribution Tariff Services Obtained from Retailer

FortisAlberta will not initiate or continue Distribution Tariff Services at a Point of Service unless the Customer is enrolled to obtain Distribution Tariff Services. It is the Customer's responsibility to make arrangements with a Retailer to obtain Electricity Services, including enrolment for Distribution Tariff Services.

10.4 Responsibility of Retailer for Electricity Purchases

The Retailer will be solely responsible for the purchase of electricity from the Power Pool and for arranging the delivery of such electricity to the appropriate Points of Service for Customers, subject to these Terms and Conditions.

10.5 New Facilities and Distribution Access Service Additions

FortisAlberta reserves the right to communicate directly with the Customer in respect of any requests made by the Customer, the Retailer or any other party acting as agent for the Customer, for the construction of new Facilities or for additional services as provided for in the *Billing Regulation*, A.R. 159/2003, as amended from time to time.

10.6 Distribution Access Services Interruption

FortisAlberta operates its electric system so as to maintain a voltage within the limits set out in Canadian Standards Association Standard C235. While FortisAlberta takes all reasonable precautions to guard against interruptions, it does not guarantee uninterrupted service.

Without liability of any kind to FortisAlberta, it shall have the right to curtail, interrupt or reduce Distribution Access Services to applicable Responsible Parties whenever FortisAlberta reasonably determines, or when FortisAlberta is directed by the Independent System Operator, that such a curtailment, interruption or reduction is: (i) necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of FortisAlberta's Facilities; or (ii) to maintain the safety and reliability of FortisAlberta's Electric Distribution System; or (iii) due to any other reason, including emergencies, forced outages, potential overloading of FortisAlberta's Electric Distribution System, for system security reasons or as a result of Force Majeure.

10.7 Independent System Operator or Transmission Facility Owner Requirements

The Responsible Parties acknowledge and agree that FortisAlberta is bound by all operating instructions, policies and procedures of the Independent System Operator and Transmission Facility owners which are needed to maintain the integrity of Alberta's interconnected electric system. The Responsible Parties acknowledge and agree that they will cooperate with FortisAlberta so that FortisAlberta will be in compliance with all such operating instructions, policies and procedures which include, but are not limited to, those operating instructions, policies and procedures pertaining to minimum and maximum generation emergencies, and

supply voltage reduction or full interruption of Customer load by either manual or automatic means.

10.8 Compliance with Applicable Legal Authorities

FortisAlberta and the Responsible Parties are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of the Independent System Operator or of governmental authorities having applicable jurisdiction. FortisAlberta will not violate, directly or indirectly, or become a party to a violation of any requirement of the Independent System Operator or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide a Service Connection or Distribution Tariff Services to the Responsible Parties. FortisAlberta's obligation to provide a Service Connection and Distribution Tariff Services is subject to the condition that all requisite governmental and regulatory approvals for the provision of such services will have been obtained and will be maintained in force during such period of service.

10.9 Requirement to Enter into New Contracts

In accordance with the provisions of the Act and the Regulations made thereunder, after December 31, 2000, FortisAlberta came to act solely as a wire services provider providing Service Connections and Distribution Tariff Services and was no longer responsible for providing electricity directly to Customers. As a result of these changes, many of the provisions contained in existing agreements FortisAlberta has with Responsible Parties relating to the provision of a Service Connection or Distribution Tariff Services are no longer relevant. As such, FortisAlberta reserves the right to cause applicable Parties to enter into new agreements that reflect the changes necessary to conform to the new role assigned to FortisAlberta.

10.10 No Assignment

The Responsible Parties shall not assign any of their rights or obligations under the Terms and Conditions or any other agreement with FortisAlberta relating to a Service Connection or Distribution Tariff Services without obtaining any necessary regulatory approvals and FortisAlberta's approval where required in such agreement. No assignment shall relieve the Responsible Parties of any of their obligations under the Terms and Conditions until such obligations have been assumed by the assignee and FortisAlberta has agreed to the novation. Any assignment in violation of this section shall be void.

10.11 No Waiver

The failure of FortisAlberta or a Responsible Party to insist in any one or more instances upon strict performance of any provisions of the Terms and Conditions or any agreement with FortisAlberta relating to a Service Connection or Distribution Tariff Services, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No provision of the Terms and Conditions or any such agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

10.12 Law

The Terms and Conditions and any agreement of a Responsible Party with FortisAlberta relating to a Service Connection or Distribution Tariff Services between FortisAlberta and the Responsible Parties shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any action or proceeding arising in connection with the Terms and Conditions and any such agreement shall be brought in the courts of the Province of Alberta.

10.13 Notice

Unless otherwise stated herein, all notices, demands or requests required or permitted under the Terms and Conditions or any agreement of a Responsible Party with FortisAlberta for a Service Connection or Distribution Tariff Services agreement shall be in writing and shall be personally delivered or sent by courier-service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to the Customer, to the site connection address and the addressee set out in the Electric Service Agreement between the Customer and FortisAlberta.

If to the Retailer, to the addressee set out in the Retail Service Agreement with FortisAlberta.

If to a DG Customer, to the addressee set out in its agreement with FortisAlberta.



Effective January 1, 2005

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If to FortisAlberta, to:

Customer Care
FortisAlberta Inc.
700, 801 – 7th Ave. S.W.
Calgary, Alberta
T2P 3P7

Fax: (403) 514-4001

Notice received after the close of the Business Day shall be deemed received on the next Business Day.

APPENDIX A – FEE SCHEDULE

The fees and charges indicated by this schedule are non-refundable and are charged in all circumstances to the party making the request, unless otherwise specified.

- | | |
|--|--|
| 1. Reconnection | \$90.00 |
| This fee is applicable when the wire service provider or the Retailer, for any of the following, has initiated a reconnect request to be completed during 8:00 AM – 4:00 PM Monday – Friday. | |
| <ul style="list-style-type: none">• Electrical non-compliance• Non-payment• Customer initiated alterations to the electrical system | |
| 2. Off-Cycle Meter Reading | \$35.00 |
| This fee is applicable when an off-cycle meter reading is requested. | |
| 3. Interval Meter Data Management | \$150.00/month |
| For Points of Service with Operating Demands less than 500 kW, with Interval Meters, to enable 15-minute interval data. | |
| 4. Interval Meter Installation | Incremental cost on a per site basis (including time and materials but excluding additional cost of meter itself) |
| For Interval Meter installation at Points of Service with Operating Demands less than 500 kW. | |
| 5. Meter Testing | \$50.00 for residential/farm
\$100.00 all others |
| This fee is applicable when a request to test a meter is received. The fee is collected and refunded if the meter is found to be faulty. | |

- | | |
|---|--|
| 6. Meter Signal
This fee is applicable for the time and material associated with the meter signal requests. Costs can vary a great deal by service and must be determined on a site-by-site basis. | Cost to be determined on an individual site basis |
| 7. No Access
This fee is applicable to the Customer when access to a site is refused. | \$90.00 |
| 8. Consumption/Settlement History Request
This fee is applicable when a request for specific Load Settlement data is made, including up to 12 months of site consumption history. If the request is for >12 months of site consumption history, the fee and minimum will be double. | \$25.00/hr for regular meter
\$50.00/hr for interval meter
1 hr min |
| 9. Confirmation of Settlement Data
This fee applies when a Retailer requests that an investigation be performed of suspect Load Settlement data. In the event that the data is, in the opinion of FortisAlberta, substantively incorrect, the fee will be waived. | \$25.00/hr for regular meter
\$50.00/hr for interval meter
1 hr min |
| 10. Rush Connection
This fee is for Retailer requests to connect the Customer immediately. This is not available for the purposes of getting priority service. | \$90.00 |
| 11. After Hours Reconnection
This will be charged to the Retailer when the Customer's service is connected outside regular business hours, weekdays 8:00 – 4:00. FortisAlberta will, time permitting, do reconnects between 4:00 and 10:00 pm at overtime rates. | \$250.00 |

12. Service Trips

- (a) This fee is applicable to the Customer when multiple trips to a Customer's service are required for any of the following: **\$45.00**
- Electrical non-compliance at service location, at new service or reconnection of existing service
 - Unsafe conditions
 - Customer deficiency
- (b) A Customer or other Responsible Party will be required to pay the actual costs of a Customer (or Responsible Customer, as the case may be) requested service call if the source of the problem is determined to be that party's facilities. **Cost to be determined on an individual basis**

13. Site ID Search

This fee is applicable when a site ID has been requested which already exists in the wire service provider site ID catalogue. **\$15.00**

14. Cancellation

This fee is applicable when a request is cancelled or deferred after the field staff have been mobilized. **\$45.00**

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

**Table 1
Maximum Investment Levels for Distribution Facilities
When the service life is 15 years or more**

Type of Service	Maximum Investment Level
Residential	\$900 per service
Residential Development	\$900 per service, less FortisAlberta’s costs of metering and final connection.
FortisAlberta Farm	\$650 per kVA of Peak Demand
Irrigation	\$0
Yard Lighting	\$750 per fixture
Street Lighting (Investment Option)	\$1,150 per fixture
Small General Service	\$667 per kW of Peak Demand
Oil and Gas Service	\$667 per kW of Peak Demand
General Service	\$667 per kW for the first 150 kW, plus \$167 per kW for additional kW of Peak Demand
Large General Service (Distribution Connected)	\$30 per kW of Peak Demand, plus \$30 per metre of Customer extension
Wholesale Service (Closed)	\$1 per kW of Peak Demand, plus \$10 per metre of Customer extension

Notes: Maximum investment levels are reduced if the expected service life is less than 15 years, as specified in Table 2.

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

Table 2
Maximum Investment Levels for Distribution Facilities
When the Service Life is less than 15 years.

Service Life	Fortis Alberta Farm	Small GS, Oil & Gas, and General Service	General Service	Large General Service		Wholesale Service (Closed)	
				On each kW of Peak Demand	On each metre of Customer Extension	On each kW of Peak Demand	On each metre of Customer Extension
Years	\$ per kVA	\$ per kW	\$ per kW	\$ per kW	\$ per metre	\$ per kW	\$ per metre
1	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
2	\$164	\$168	\$42	\$8	\$8	\$0.25	\$2.52
3	\$233	\$239	\$60	\$11	\$11	\$0.36	\$3.58
4	\$294	\$301	\$75	\$14	\$14	\$0.45	\$4.52
5	\$348	\$357	\$89	\$16	\$16	\$0.54	\$5.35
6	\$396	\$407	\$102	\$18	\$18	\$0.61	\$6.10
7	\$439	\$451	\$113	\$20	\$20	\$0.68	\$6.76
8	\$478	\$490	\$123	\$22	\$22	\$0.73	\$7.35
9	\$512	\$525	\$131	\$24	\$24	\$0.79	\$7.87
10	\$542	\$556	\$139	\$25	\$25	\$0.83	\$8.34
11	\$569	\$584	\$146	\$26	\$26	\$0.88	\$8.75
12	\$593	\$608	\$152	\$27	\$27	\$0.91	\$9.12
13	\$614	\$630	\$158	\$28	\$28	\$0.94	\$9.45
14	\$633	\$650	\$163	\$29	\$29	\$0.97	\$9.74
15 or more	\$650	\$667	\$167	\$30	\$30	\$1.00	\$10.00

Points of Service with a life of less than 2 years are considered temporary services and the maximum investment is zero.

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

**Table 3
Base Costs and Factors for Prepaid Line Share Calculation.**

$$\text{Prepaid Line Share} = (\$ \text{ Base Cost} - \$ \text{ Customer Extension Cost}) \times \text{Factor}$$

Rate Category	Base Cost Single Phase	Base Cost Three Phase	Factor
Rural Residential	\$3,600	N/A	40%
Rural General Service and Oil & Gas (under 100 kW)	\$6,200	\$11,500	20%
FortisAlberta Farm and REA Farm Service (under 100 kVA)	\$6,200	\$11,500	20%
Rural Irrigation Services, all sizes	\$9,500	\$19,500	20%

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

**Table 4
Operation and Maintenance Charges**

Optional Facilities for Distribution Load Customers	
Prepaid O&M Charge	20% of Optional Facilities Cost

Interconnection Facilities for Distribution Connected Generation Customers	
	% of Interconnection Facilities Cost
Prepaid O&M Charge	20%
Monthly O&M Charge (charged bi-annually)	0.24%



Appendix F

Compliance Officer Contact Information

Robert Fink,
Corporate Counsel & Corporate Secretary
FortisAlberta Inc.
#320 – 17th Ave. S.W.
Calgary, Alberta
T2S 2V1

Phone: (403) 514-4083

Email: bob.fink@fortisalberta.com