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*Capitalized terms used in these Retailer Terms and Conditions of Electric Distribution Service (the “**Retailer Terms and Conditions**”), as may be amended from time to time, that are not otherwise defined in the context in which they are used, have the meaning ascribed thereto under Section 2.1 “Definitions”.*

ARTICLE 1 – INTRODUCTION TO RETAILER TERMS AND CONDITIONS

In accordance with the provisions of the *Electric Utilities Act* (the "**Act**") and the Regulations made thereunder (the "**Regulations**"), as either may be amended or replaced from time to time, FortisAlberta Inc. ("**FortisAlberta**") in its role as a wire owner will carry out the functions necessary to furnish Electric Distribution Service to Customers in the areas serviced by FortisAlberta to enable each Customer to purchase electricity for that person's own use from a Retailer. In its role as a wire owner, FortisAlberta will also enable a Retailer to acquire access to its Electric Distribution System for the purposes of allowing the Retailer to sell electricity directly to Customers. A Customer may also act as a self-retailer by carrying out retailer functions to obtain electricity services solely for the Customer's own use.

These Retailer Terms and Conditions govern the relationship between FortisAlberta and Retailers, or any party who will be acting as an Agent on behalf of a Retailer for transactions, including, but not limited to, retail billing and Load Settlement. These Retailer Terms and Conditions will also govern the relationship between FortisAlberta and a Customer of a Retailer or any another party acting as an agent of the Customer in their dealings with FortisAlberta.

These Retailer Terms and Conditions serve as a companion to the Customer Terms and Conditions to govern the relationship between FortisAlberta and a Customer, or any other person whom the Customer has assigned to act on its behalf in its dealings with FortisAlberta, regarding the provision of Electric Distribution Service.

These Retailer Terms and Conditions and the Customer Terms and Conditions together form the Terms and Conditions of Electric Distribution Service of FortisAlberta (the “**Terms and Conditions**”). These Retailer Terms and Conditions outline the rules that Retailers and agents must follow to engage in retailer transactions with FortisAlberta.

The service provided by FortisAlberta hereunder is regulated by the Alberta Utilities Commission (the “**Commission**”) and parties having any inquiries or complaints regarding the Terms and Conditions may direct such inquiries or complaints directly to FortisAlberta or to the Commission. The Terms and Conditions have been approved by the Commission.

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ARTICLE 2 – DEFINITIONS AND INTERPRETATION

2.1 Definitions

The following words and phrases, whenever used in the Retailer Terms and Conditions, a Retail Service Agreement or an application, contract or agreement for service, shall have the meanings set forth below, or the meaning set forth in the Customer Terms and Conditions if not defined herein, unless the context otherwise requires:

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

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday as defined in the *Interpretation Act*, R.S.A. 2000, c. I-8, as re-enacted, amended or replaced from time to time; and “**day**” means any calendar day;

“**Commission**” or “**AUC**” means the–Alberta Utilities Commission, formerly the Alberta Energy and Utilities Board, established under the *Alberta Utilities Commission Act*, S.A., 2007, c.A-37.2, as re-enacted, amended or replaced from time to time;

“**Contract kilometres**” means the length of distribution line, measured in metres, from the Point of Service to the Point of Delivery, as determined by FortisAlberta;

“**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**” has the meaning given such term in, and is determined in accordance with, the Act, and also includes any consumer, person, firm, partnership, corporation, organization or association (including, without limitation, individual members of any unincorporated entity) to whom FortisAlberta provides any service under its Distribution Tariff or who applies for, or proposes or requests to purchase or obtain, or receives any service under the Distribution Tariff, or otherwise in respect of any Land upon which Electric Distribution Service is or will be furnished, a Subdivision Developer or the Tenant and the Registered Owner of the Land;

“**Customer Contribution**” has the meaning given such term in, and is determined in accordance with, Section 7.2 of the Customer Terms and Conditions, and includes but is not limited to, a Customer Distribution Contribution, a Customer Transmission Contribution, and other 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;

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“Customer Terms and Conditions” means these Customer Terms and Conditions for Electric Distribution Service of FortisAlberta, as amended or replaced from time to time;

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

“De-Energization” or **“De-Energize”** for the purpose of these Retailer Terms and Conditions, have the meaning given such terms in, and are determined in accordance with, the Settlement System Code, and are sometimes referred to as a **“DER”** transaction;

“Default Supplier” has the meaning given such term in, and is determined in accordance with, the RRR Regulation;

“DG Customer” or **“Distribution Generation Customer”** means a person that has on-site generating facilities that are interconnected and operating in parallel with FortisAlberta’s Electric Distribution System and, unless otherwise indicated, includes an MG Customer;

“Distribution Customer Exit Charge” has the meaning given such term in, and is determined in accordance with, Section 7.5 in the Customer Terms and Conditions;

“Distribution Load Customer” means a Customer interconnected to, or who applies, proposes or requests to interconnect 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 and approved by the Commission in accordance with the Act, which consists of the Rates, Options and Riders Schedules and the Terms and Conditions, as amended or replaced from time to time;

“Electric Distribution Service” has the meaning given such term in, and is determined in accordance with, the Act. FortisAlberta’s prior Terms and Conditions previously referred to Electric Distribution Service as Distribution Tariff Service or Distribution Access Service, and all references in prior agreements, documents and other instruments to Distribution Tariff Service or Distribution Access Service shall mean Electric Distribution Service as defined herein;

“Electric Distribution System” has the meaning given such term in, and is determined in accordance with, the Act;

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

“Electricity Services” has the meaning given such term in, and is determined in accordance with, the Act;

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“Energy” means electric energy, which means the capability of electricity to do work, measured in kilowatt hours (**“kWh”**);

“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, excluding a Transmission Facility;

“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 a 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 Commissions (excluding decisions or orders made by the Commission in the normal course of exercising its authority over FortisAlberta), 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;

“Idle Service Charges” means charges associated with the recovery of FortisAlberta’s ongoing cost of owning, operating and maintaining Facilities in respect of a particular Point of Service in situations where the Point of Service is not receiving Energy via the Facilities on a continuing basis, but the Customer chooses to retain the Facilities in place for future use. The charges that are applicable are set out in the Rates, Options and Riders Schedules;

“Independent System Operator” or **“ISO”** or **“AESO”** means the corporation established as the independent system operator by the Act to carry out the duties of the independent system operator under the Act, and carrying on business as the Alberta Electric System Operator or AESO;

“Interest in Land” includes any oral or written agreement with the Registered Owner of Land to purchase, rent, use or exploit the Land, either currently or in the future;

“Investment Level” means the total dollar investment that FortisAlberta is permitted to make toward the construction of new or upgraded Facilities which total investment available is determined by the Investment Term and Expected Peak Demand and, where applicable, Metres of Customer Extension. Such Investment Level shall also be in accordance with the Customer Contribution Schedules contained in Appendix “B” attached hereto, and such total distribution

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investment available shall not exceed the cost as estimated by FortisAlberta of constructing the Facilities;

“**kVA**” means kilovolt-ampere or kilovolt-amperes;

“**kW**” means kilowatt or kilowatts;

“**kWh**” means kilowatt hour or kilowatt hours;

“**Land**” includes, in respect of any parcel of land, registered ownership and lease of the whole or any part of it, and also includes any part thereof that is intended to be leased, subdivided or partitioned from the land;

“**Load**” means Energy consumed by Customers or capacity requirements in kW or kVA;

“**Load Settlement**” has the meaning given such term in, and is determined in accordance with, the Act;

“**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 the Expected Peak Demand in kW expressed in kVA (e.g. 1,000 kW Expected Peak Demand / 0.9 = 1,111 kVA Maximum Supply);

“**Metered Demand**” means the registered demand in kW or 90% of the registered demand in kVA;

“**Metres of Customer Extension**” means the length of extension of Facilities, as determined to be appropriate by FortisAlberta, installed as part of a Service Connection, which is used to determine part of FortisAlberta’s Investment Level;

“**MG Customer**” or “**Micro-Generation Customer**” means a generator as defined under the Micro-Generation Regulation made pursuant to the Act, as amended or replaced from time to time;

“**Minimum Charge**” means the result of multiplying the rates to the greater of the Rate Minimum as contained in the Rates, Options and Riders Schedules or the Contract Minimum Demand;

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

“Miscellaneous Service” means a non-standard service provided by FortisAlberta from time to time at the request of a Customer or Retailer;

“Operating Demand” means the value calculated as the average of the highest seven of the last 12 months of Metered Demands and is used for determining the appropriate rate for a Point of Service;

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

“Permanent Disconnection” means the cessation of Electricity Services resulting from removal of Facilities. Permanent Disconnection is also referred to as salvage;

“Point of Delivery” or **“POD”** means the point at which Energy is transferred from a Transmission Facility to FortisAlberta’s Electric Distribution System or Transmission Connected Services;

“Point of Service” means the point at which FortisAlberta’s service conductors are connected to the conductors or apparatus of a Customer;

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

“Rates, Options and Riders Schedules” means that portion of FortisAlberta’s Distribution Tariff which sets out charges;

“Registered Owner” means the registered owner or owners of Land;

“Regulated Rate Tariff” means a regulated rate tariff for the provision of Electricity Services to eligible Customers pursuant to the Act;

“Regulated Rate Option Provider” means the party authorized by FortisAlberta to provide electricity services to eligible customers in the FortisAlberta service area under a regulated rate tariff;

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

“Responsible Parties” means all Retailers and Customers, including Transmission Load Customers, Distribution Load Customers, DG Customers, MG Customers, or agents of the foregoing;

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“Retail Service Agreement” means an agreement between FortisAlberta and a Retailer for the provision of Electric Distribution Service, as amended or replaced from time to time;

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

“Retailer Guidebook” has the meaning given such term in, and is determined in accordance with, Section 3.5 herein;

“Retailer Identification” or **“Retailer ID”** means the 9-digit number that uniquely represents each Retailer operating within Alberta, as approved by and provided to FortisAlberta by the Alberta Electric System Operator;

“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;

“Retailer Terms and Conditions” means these Retailer Terms and Conditions for Electric Distribution Service, as amended or replaced from time to time;

“RRR Regulation” means the Roles, Relationships and Responsibilities Regulation made pursuant to the Act, as amended or replaced from time to time;

“Rural Lands” means a parcel of land which is situated outside the boundaries of a city, town, village, summer village or a specialized municipality;

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

“Settlement System Code” means the specifications, standards, methods, calculations and conventions established under the AUC Settlement System Code Rule 021, as amended or replaced from time to time;

“Standard Service” means Facilities which meet good economic electric industry practice including safety, reliability and operating criteria and standards consistent with the particular characteristics of service, as determined by FortisAlberta acting reasonably;

“System Access Service” has the meaning given such term in, and is determined in accordance with, the Act;

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“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;

“Tariff Billing Code” means the Alberta Tariff Billing Code established by the Commission under the provisions of the Act, as amended or replaced from time to time;

“Temporary Disconnection” means the cessation of Electricity Services on a temporary basis and does not involve removal of Facilities. Temporary Disconnection is also referred to as a De-Energize or DER transaction;

“Tenant” means any person with an Interest in Land granted by a Registered Owner;

“Terms and Conditions” means, collectively, these Retailer Terms and Conditions and the Customer Terms and Conditions, as amended or replaced from time to time;

“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 such term in, and is determined in accordance with, the Act;

“Transmission Facility Owner” means the owner, as such term is defined in the Act, of a Transmission Facility; and

“Transmission Load Customer” means a Customer at a Transmission Connected Service or who applies, proposes or requests to interconnect to a Transmission Connected Service, who has not received a Section 101(2) release as noted in the Act.

2.2 Conflicts

If there is any conflict between a provision expressly set out in an order of the Commission and the Terms and Conditions, the order of the Commission shall govern.

If there is any conflict between a provision in the Terms and Conditions and a provision a Commitment Agreement, Electric Service Agreement, Interconnection Agreement, Retail Service Agreement, Underground Electrical Distribution System Services Agreement or any

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other existing or future agreement between FortisAlberta and a Responsible Party, the provision in the Terms and Conditions shall govern.

2.3 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.

2.4 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 a person shall include an individual, firm, partnership, association, trust, unincorporated organization and corporation.

2.5 Appendices

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

Appendix "A" - Fee Schedule

Appendix "B" - Disconnect of a Point of Service.

ARTICLE 3 – GENERAL PROVISIONS

3.1 Commission Approval

The Terms and Conditions have been approved by the Commission. FortisAlberta may amend the Terms and Conditions by filing a notice of amendment with the Commission. Included in the notice to the Commission shall be notification of which Retailers are affected by the amendment and an explanation of how affected Retailers will be notified of the amendments. Within 60 days after such notice is filed, the Commission will either acknowledge the notice of amendment to the Terms and Conditions or direct a further process to deal with the requested change as the Commission deems appropriate. If the Commission acknowledges notice of amendment, the amendment will take effect upon the date of such acknowledgement.

3.2 Distribution Tariff

FortisAlberta's Distribution Tariff is available for public inspection at FortisAlberta's website at: <http://www.fortisalberta.com>. The Terms and Conditions, together with the Rates, Options and Riders Schedules, form part of the Distribution Tariff and are established pursuant to

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Section 2 of the Distribution Tariff Regulation made pursuant to the Act, as amended or replaced from time to time.

3.3 Amendments to the Terms and Conditions

Whenever the Commission approves an amendment to the Terms and Conditions, such amendment, including its effective date, will be posted on FortisAlberta's website at: <http://www.fortisalberta.com>.

No agreement can provide for the waiver or alteration of any part of the Terms and Conditions unless such agreement is first filed with and approved by the Commission and such agreement expressly provides for any such waiver or alteration.

3.4 Applicability of Terms and Conditions

These Retailer Terms and Conditions govern the relationship between FortisAlberta and a Retailer and any agent of the Retailer that is also approved by FortisAlberta to interact with FortisAlberta on behalf of the Retailer. These Retailer Terms and Conditions will also govern the relationship between FortisAlberta and Customers for whom the Retailer is acting as an agent in its dealings with FortisAlberta.

All Responsible Parties by virtue of their relationship with FortisAlberta are deemed to have accepted the Terms and Conditions. The entering into of a Retail Service Agreement, the use by a Responsible Person of a service, or the payment by the Responsible Person of an account rendered by FortisAlberta in relation to a service shall constitute acceptance by the Retailer of these Terms and Conditions.

3.5 Retailer Guidebook

FortisAlberta has developed the Retailer Guidebook to help Retailers understand the normal practices of FortisAlberta. FortisAlberta will amend the Retailer Guidebook, from time to time, to reflect changes to the electric utility industry, changes in FortisAlberta's requirements or the changing needs of Retailers or Customers. While FortisAlberta will endeavour to follow practices in the Retailer Guidebook, these practices will not appropriately cover every situation that may arise and it may be necessary to deviate from the Retailer Guidebook. If there is any conflict between the Retailer Guidebook and a provision in the Terms and Conditions, an Electric Service Agreement, a Retail Service Agreement or any other existing or future agreement between FortisAlberta and a Responsible Party, the provision in the Terms and Conditions, Electric Service Agreement, Retail Service Agreement or other agreement shall govern. A copy of the Retailer Guidebook can be accessed on FortisAlberta's website at <http://www.fortisalberta.com>.

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3.6 Timeliness, Due Diligence and Security Requirements of Retailer

The Retailer shall exercise due diligence and use reasonable efforts in meeting its obligations hereunder, and perform same in a timely manner. The Retailer shall adhere to all credit, deposit and security requirements specified in the Terms and Conditions. The Retailer shall make every effort to ensure that its Customers are aware of the provisions of the Terms and Conditions that may affect the Customer(s).

3.7 Retailer Arrangements with Customers

Unless otherwise stated herein, the Retailer shall be solely responsible for having appropriate contractual or other arrangements with a Customer necessary to provide service to the Customer. 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 a Customer or to perform its obligations to a Customer.

3.8 Responsibility of the Retailer for Electric 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 the Terms and Conditions.

3.9 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 Electric Distribution Service.

3.10 Retailer Identification Number

Any information exchange or communications between the Retailer and FortisAlberta under the Terms and Conditions shall employ a Retailer ID. In circumstances where the Retailer has multiple Retailer IDs, the review, setting, and maintaining of prudential requirements shall be addressed based on the circumstances of each case.

3.11 Single Retailer for Point of Service

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. Nothing in the Terms and Conditions shall prohibit a Customer from entering into arrangements with multiple Retailers for a Point of Service,

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provided that a single Retailer is designated to be the Customer's Retailer for the purposes of the Terms and Conditions.

3.12 Fees and Other Charges

FortisAlberta will provide all Standard Service hereunder pursuant to the Distribution Tariff. All additional, supplementary or extra non-discretionary services provided by FortisAlberta to a Retailer or its Customers will be charged a separate rate or fee, such as those included, without limitation, in the Rates, Options and Riders Schedules. Billing and payment for services shall be in accordance with the provisions of the Terms and Conditions.

ARTICLE 4 – CUSTOMER INQUIRIES AND INFORMATION

4.1 Customer Inquiries

For Customers requesting information on Electric Distribution Service, FortisAlberta will make available the following information:

- (a) notification and informational materials to consumers about competition and consumer choices; and
- (b) direct Customers, on request, to a source where they may obtain the current list of licensed Retailers maintained in accordance with the *Fair Trading Act* (Alberta), R.S.A. 2000, c.F-2 (the “Fair Trading Act”), as amended or replaced from time to time. FortisAlberta is under no obligation to assure the accuracy of this list.

4.2 Customer Inquiries Related to Emergency Situations and Outages

Retailers shall make every effort to ensure Customers contacting the Retailer regarding distribution emergency conditions, outages, safety or environment situations related to FortisAlberta’s Electric Distribution System are referred immediately to FortisAlberta. FortisAlberta reserves the right, without providing notice to the Retailer, to test or audit the response time of the Retailer. FortisAlberta will communicate any unacceptable patterns to the Retailer to be corrected.

4.3 Provision of Customer Information to Retailer

In accordance with the Alberta Utilities Commission Rule 010 “Rules on Standards for Requesting and Exchanging Site – Specific Historic Usage Information for Retail Electricity and Natural Gas Markets”, FortisAlberta will provide historic Customer Usage Information to a Retailer that has a Retail Service Agreement and a representation and warranties agreement in place with FortisAlberta. The representation and warranties agreement requires that Retailers have a written customer authorization for each historical usage information request

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submitted to FortisAlberta. Rule 010 specifies that Retailers who request historical usage information from a wire owner must do so using the electronic transaction as per Rule 010.

4.4 Provision of Information between FortisAlberta and Retailer

The Retailer must notify FortisAlberta as promptly as reasonably practical of any changes to Customer Information, as FortisAlberta relies on this information to perform its obligations to Customers. Such information shall be provided in a form described in the Settlement System Code.

FortisAlberta and a 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. Without limiting the generality of the foregoing, FortisAlberta reserves the right to require updated Customer Information from a Retailer from time to time. Changes set out in the Fee Schedule included herein as Appendix "A" will apply to certain requests made to FortisAlberta.

FortisAlberta 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 provide up-to-date and accurate Customer Information to FortisAlberta. FortisAlberta reserves the right to assess a charge to recover the costs incurred by FortisAlberta for additional work undertaken by FortisAlberta as a result of inaccurate Customer Information provided by the Retailer.

ARTICLE 5 –PROVISION OF SERVICE

5.1 Retailer Qualification for Electric Distribution Service

The Retailer must fulfill and maintain the following requirements to the satisfaction of FortisAlberta before FortisAlberta will provide or continue to provide Electric Distribution Service to that Retailer:

- (a) submit to FortisAlberta a fully completed and executed Retail Service Agreement, a Retailer Credit Application form, and any other documents or forms that may be required by FortisAlberta from time to time;
- (b) furnish to FortisAlberta a certified copy of the license issued to the Retailer and warrant in writing to FortisAlberta that it is licensed pursuant to, and will comply with, the provisions of the Fair Trading Act and any regulations or policies made thereunder, as amended from time to time;

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- (c) adhere to the credit, deposit and security requirements of FortisAlberta as described in Article 6;
- (d) warrant in writing to FortisAlberta that it will at all times comply with the Settlement System Code;
- (e) meet the compliance testing protocol of FortisAlberta in respect of information exchange as set forth in the Retailer Guidebook;
- (f) warrant in writing to FortisAlberta that it has been, and will be at all times, qualified by the Independent System Operator as pool participant under the Independent System Operator rules respecting the operation of the Power Pool and the Independent System Operator has approved the Retailer for consumption within the FortisAlberta service area; and
- (g) meet any other requirements that FortisAlberta, acting reasonably, may impose in order to provide Electric Distribution Service hereunder to the Retailer. If FortisAlberta determines that a Retailer must satisfy additional requirements in order to qualify for Electric Distribution Service, the following process will apply:
 - i. where FortisAlberta is confronted with a situation which would likely 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 Commission for approval of same; or
 - ii. where FortisAlberta is not confronted with the circumstances outlined in (i), above, FortisAlberta shall apply to the Commission for approval of the proposed additional requirement prior to implementing same.

Upon satisfaction of the above requirements, FortisAlberta will provide Electric Distribution Service to the Retailer, 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 Electric Distribution Service to the Retailer if at any time the Retailer no longer fulfils the above requirements.

5.2 Application for Enrolment of Customers of the Retailer

In order to initiate the provision of Electric Distribution Service by FortisAlberta, the Retailer shall complete and provide to FortisAlberta an application for Electric Distribution Service in compliance with the Settlement System Code. The Retailer shall provide updated Customer Information with each application for Point of Service enrolment where applicable.

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FortisAlberta will, subject to the Terms and Conditions, accept an application by a Retailer for provision of Electric Distribution Service to a Customer hereunder and upon acceptance, will recognize the Retailer as the Retailer of Record for the particular Point of Service. 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 and Retailer Identification, provided by the Retailer is false, incomplete or inaccurate in any respect.

Enrolments will be processed by FortisAlberta on a first-come, first-served basis. Each enrolment will be time and date-stamped when received by FortisAlberta. 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 that day. Enrolment of a Point of Service is irrevocable and the Retailer bears full responsibility for the accuracy of enrolment transactions submitted to FortisAlberta.

FortisAlberta will, in compliance with the Settlement System Code, transfer an existing Point of Service receiving Electric Distribution Service to the Retailer or notify the Retailer of the status of the enrolment. If an enrolment is accepted, FortisAlberta will notify the Retailer in accordance with the timing requirements set out in the Settlement System Code. If an enrolment is rejected, FortisAlberta will provide the Retailer with the reason(s) for the rejection.

If a Retailer finds that it has enrolled an incorrect Point of Service, that Retailer shall notify FortisAlberta in accordance with the Settlement System Code. Upon receiving notice from the Retailer, FortisAlberta will notify the previous Retailer to enrol the Point of Service. A Retailer that erroneously enrolls a Point of Service will bear responsibility for the associated Distribution Tariff costs and any other financial implications associated with the error.

FortisAlberta reserves the right to refuse Electric Distribution Service, at any Point of Service, to any Customer of the Retailer who has failed to meet their obligations under the Terms and Conditions or an Electric Service Agreement with FortisAlberta, including where the Customer has not made payment when due 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. However, the Retailer will be liable for all outstanding indebtedness which accrued while the Retailer remained the Retailer of Record for the Customer.

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ARTICLE 6 – PRUDENTIAL REQUIREMENTS

6.1 General

Retailers must satisfy the security requirements in Sections 8 through 12 of the Distribution Tariff Regulation A.R. 162/2003 to ensure that the Retailer is and remains of sufficient financial standing to meet its ongoing financial obligations. FortisAlberta reserves the right to re-evaluate the security requirements of a Retailer on a regular basis, and to require additional security where appropriate.

- (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. This period shall remain consistent with applicable regulations, as amended from time to time.
- (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 |

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| | |
|----------------|--------------|
| AA- to AA+ | \$20,000,000 |
| AAA- or higher | \$25,000,000 |

- (d) A guarantee or guarantees provided under (b) shall be provided in accordance with Subsection 8(4) of the Distribution Tariff Regulation A.R. 162/2003.

All costs associated with obtaining security and meeting prudential requirements are the responsibility of the Retailer. A Retailer must complete the credit application process and meet credit requirements before a Point of Service is enrolled with FortisAlberta for the Retailer.

6.2 Additional Security

When the Retailer’s actual outstanding charges under FortisAlberta’s Distribution Tariff materially exceed the value projected by the Retailer under Section 6.1, upon 5 Business Days’ notice by FortisAlberta, the Retailer shall either:

- (a) pay FortisAlberta in advance the amount by which the actual outstanding charges then exceed the projected value, or
- (b) provide additional security to FortisAlberta in accordance with Section 6.1 to a total equal to the actual outstanding charges.

A Retailer whose credit rating has been downgraded shall report to FortisAlberta the downgrading of its Credit Rating within 2 Business Days of the downgrading and must provide any additional security required as a result of the downgrading within 5 Business Days of the downgrading as required under Section 9 of the Distribution Tariff Regulation.

A Retailer must provide and maintain the required amount of security until all obligations of the Retailer under FortisAlberta’s Distribution Tariff are satisfied. FortisAlberta reserves the right to re-evaluate the security requirements of a Retailer on a regular basis, and to require additional security where appropriate.

If a Retailer defaults in paying any amounts owing under FortisAlberta’s Distribution Tariff, FortisAlberta will provide the Retailer notice as required by Section 12 of the Distribution Tariff Regulation and will be entitled to realize on the security of the Retailer to recover the Retailer's arrears including any accrued interest if they are not paid within 3 Business Days after the date of the notice, provided that FortisAlberta shall be entitled to realize on the security without notice if, in the opinion of FortisAlberta, the giving of such notice would impair FortisAlberta’s ability to make a claim against the Retailer’s security. FortisAlberta may require additional security to replace the security drawn down because of the default by the Retailer. The Retailer must provide the additional security within 5 Business Days of FortisAlberta’s request to do so.

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If the Retailer fails to provide any additional security that it is required to provide, FortisAlberta reserves the right to suspend the provision of Electric Distribution Service until the Retailer provides FortisAlberta with the required security.

If FortisAlberta, acting reasonably, determines that it is not secured in accordance with this section for the financial obligation of the Retailer, FortisAlberta may, upon 5 Business Days' notice, cease to provide Electric Distribution Service hereunder to that Retailer until the Retailer provides FortisAlberta with adequate security.

ARTICLE 7 – DISCONTINUANCE OF ELECTRIC DISTRIBUTION SERVICE

7.1 Discontinuance by Retailer

To discontinue Electric Distribution Service, a Retailer shall complete and provide to FortisAlberta a notice of de-select in the form and manner set out in the Retailer Guidebook and in compliance with the Settlement System Code. Such notice shall clearly specify the Retailer's reason(s) for seeking to de-select the Point of Service (Customer).

To de-select the Retailer of Record for a particular Point of Service, a Retailer shall, 7 days (or such other time as may be required under the Settlement System Code) before the de-selection is to take effect, complete and provide to FortisAlberta a notice of de-selection pursuant to the Settlement System Code. FortisAlberta may reject the notice of de-selection 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, but is not obligated, to notify the Customer of the pending transaction, verify the identity of the Customer and the accuracy of the Customer Information. Upon receipt of a notice of de-selection from a Retailer, FortisAlberta will, in compliance with the Settlement System Code, either process the de-selection request or notify the Retailer that the notice of de-selection had been rejected and the reason(s) for such rejection.

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

The Retailer is responsible to ensure that its Customers are provided notice of the de-selection, and the consequences thereof, and FortisAlberta will not be held liable for any Customer disputes with the Retailer.

The Retailer shall remain responsible for Electricity Services to the Point of Service until a replacement Retailer is appointed and in place for the Point of Service.

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7.2 Discontinuance by FortisAlberta

FortisAlberta may discontinue or restrict Electric Distribution Service to a Retailer if any of the following occur:

- (a) the Retailer's license has been revoked by Alberta Government Services;
- (b) the Retailer has failed to meet its obligations under the Terms and Conditions or under its Retail Service Agreement with FortisAlberta; or
- (c) the Retailer has failed to meet its credit requirements pursuant to Article 6.

Notification of discontinuance will be made electronically by FortisAlberta to the Retailer. FortisAlberta will provide the Retailer 10 Business Days' notice before FortisAlberta discontinues Electric Distribution Service to the Retailer. Upon discontinuance of Electric Distribution Service pursuant to this Section, the provision of the affected service(s) will be assumed by the Default Supplier for non-eligible Customers, and the person for whom FortisAlberta has made arrangements to provide the Regulated Rate Tariff for eligible Customers.

ARTICLE 8 – SERVICE DISCONNECTION AND RECONNECTION

This Article, as amended from time to time, specifies the processes for the transactions between FortisAlberta and a Retailer in relation to the physical disconnection of a Point of Service. For greater certainty, “**disconnection**” is synonymous with the term “**De-Energize**” as that term is used in the Settlement System Code.

8.1 De-Energization of Service by a Retailer

In accordance with the Act, the Retailer shall have the right to request that FortisAlberta De-Energize service to a particular Point of Service, including for non-payment, and FortisAlberta shall comply with that request, unless such action is inconsistent with applicable law or the Terms and Conditions, including FortisAlberta's approved policies contained in Appendix “B” to these Retailer Terms and Conditions.

Normal charges, including Idle Service Charges, may continue to be applied by FortisAlberta during the period of any De-Energization.

If a Point of Service remains De-Energized for greater than 12 months, the Retailer may make a request to FortisAlberta for the Point of Service to be considered a Permanent Disconnection and administered as per Section 8.2.4. FortisAlberta reserves the right to request the Customer's Retailer to provide the Customer's contact name and phone number for the purpose of verifying the disconnect request.

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The Retailer shall remain responsible for Electricity Services and for Electric Distribution Service and for any charges related thereto until a replacement Retailer has enrolled the Customer at the Point of Service or the Point of Service is Permanently Disconnected.

FortisAlberta will notify the Retailer if a De-Energize request was not successfully completed and include the reason why it was not successfully completed. If the Retailer still requires a De-Energize, the Retailer must re-issue a De-Energize request the following Business Day.

8.2 Disconnection at the Request of the Customer

Any requests to disconnect service from a Customer shall be made in accordance with the Customer Terms and Conditions. FortisAlberta may directly charge a Customer a Distribution Customer Exit Charge related to a Permanent Disconnection. Until such time as all obligations of Customer to FortisAlberta are met, FortisAlberta reserves the right to reject a request for a disconnection.

8.2.1 Temporary Disconnection For Safety and Maintenance

FortisAlberta will accept a request directly from a Customer or a Customer's Retailer for a Temporary Disconnection of less than 5 days (or such other time as may be agreed to by FortisAlberta) for safety or maintenance (equipment testing and inspection) purposes. In these limited circumstances, no Settlement System Code transactions (i.e., a De-Energize or DER transaction) shall be submitted by the Retailer. The Retailer is referred to the Retailer Guidebook of FortisAlberta for process details. Normal charges for Electric Distribution Service continue to apply during this period.

8.2.2 Idle Service Charges

FortisAlberta will accept a request from the Customer's Retailer to De-Energize provided that the Customer, or the Customer's Retailer, agrees to pay the Idle Service Charges as provided in the Rates, Options and Riders Schedules. Idle Service Charges will apply during any period of De-Energization.

8.2.3 Right to Remove Meter

The Customer shall permit FortisAlberta to remove the meter on Land owned or controlled by the Customer for any Temporary Disconnection. FortisAlberta reserves the right to assess a charge to the Customer, or the Customer's Retailer, for a supplementary meter read, as set forth in the Fee Schedule included herein as Appendix "A" under Off-Cycle Meter Reading, as a direct result of the Customer preventing or not allowing FortisAlberta to remove the meter.

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8.2.4 Permanent Disconnection

If the Customer, or the Customer's Retailer on behalf of the Customer, requests a Permanent Disconnection of the Point of Service, the Customer billing for that service will be finalized. At the discretion of FortisAlberta, the Facilities provided by FortisAlberta will be removed unless the Customer, or the Customer's Retailer, agrees to pay the Idle Service Charges as set forth in Section 8.2.2, in which case the request will be deemed thereafter to be a De-Energize request. FortisAlberta reserves the right to assess the Customer's Retailer request for Permanent Disconnection and if the request is determined by FortisAlberta to be improper (such as if the Customer agrees to pay for Electric Distribution Service), to require the Retailer to correct the transaction. If a Point of Service remains disconnected for greater than 12 months, it may be considered by FortisAlberta to be a Permanent Disconnection.

If within 3 years of Permanent Disconnection the Customer requests the Service Connection be restored, the Customer may be required to pay all the costs associated with the original disconnection, removal of the Facilities and restoration of service. These costs will be charged directly to the Customer.

A Customer may be charged a Distribution Customer Exit Charge related to a Permanent Disconnection as set out in Section 7.5 of the Customer Terms and Conditions.

8.3 Disconnection by FortisAlberta

FortisAlberta reserves the right to disconnect electric service to a Customer in a number of circumstances as set out in Article 10 of the Customer Terms and Conditions, including but not limited to non-payment of FortisAlberta bills of any nature or any past due charges by the Customer; evidence of safety violations or fraud by the Customer; or the Customer failing to meet its obligations under the Terms and Conditions or any of the terms of the Customer's Electric Service Agreement.

8.4 Reconnect Service

This Section applies when FortisAlberta is asked to reconnect or restore service to a Point of Service whose service was previously restricted by a current-limiting device or disconnected.

Before reconnecting or restoring service, the Customer, or the Customer's Retailer, shall pay any amount owing to FortisAlberta including written off accounts, and

- (a) if service is reconnected by the Customer within 12 months of disconnection, the Customer, or the Customer's Retailer, shall pay a service charge to cover FortisAlberta's minimum monthly and reconnection charges, as determined in the Fee Schedule included herein as Appendix "A"; or

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- (b) if service is reconnected by the Customer after 12 months of disconnection, the Customer, or the Customer's Retailer, shall pay a reconnection charge as determined in the Fee Schedule included herein as Appendix "A".

If the disconnection is a result of a safety violation, or as a result of a Customer's action, inaction or facilities that are causing any problems, damage, interference or disturbance, FortisAlberta will reconnect the service when such issues are resolved and when the Customer has provided, or paid FortisAlberta's costs of providing, such services, devices or equipment as may be necessary to resolve such issues.

8.5 Removal of Facilities upon Disconnection of Service

Upon Permanent Disconnection, FortisAlberta shall be entitled to remove any of its Facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose.

ARTICLE 9 – BILLING

9.1 Wholesale Billing

FortisAlberta will bill the Retailer of Record the amounts payable for Electric Distribution Service in accordance with the Terms and Conditions, the Billing Regulation, A.R. 159/2003 and the Tariff Billing Code, as each may be amended from time to time, and as follows:

- (a) FortisAlberta will provide billing information in the prescribed format to the Retailer of Record for each billing cycle;
- (b) FortisAlberta will invoice the Retailer for Electric Distribution Service provided by FortisAlberta for the period generally corresponding to the billing information from the prior calendar month;
- (c) FortisAlberta will not assume any billing or collection obligations or responsibilities related to billing or collecting from Customers, for or on behalf of the Retailer. The Retailer shall process Customer payments and handle collection responsibilities. FortisAlberta may, in addition to any other remedies available to it, restrict enrolment or terminate Electric Distribution Service to the Retailer, if such Retailer does not pay all outstanding bills in accordance with the Terms and Conditions;
- (d) FortisAlberta reserves the right to bill the Customer directly for any amounts required to be provided by the Customer under the Terms and Conditions; and
- (e) Retailers and any party acting as an agent on behalf of Retailers are required to provide Customers with notification of a FortisAlberta distribution rate change in the billing

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envelope, or through the electronic billing and payment process, that accompanies the first charge to the Customer at the new rate.

9.2 Determination of Applicable Rates

FortisAlberta bills the Retailer of Record based on the charges set out in its Rates, Options and Riders Schedules. Each Point of Service is billed as a separate service. The determination of these charges will be made in accordance with FortisAlberta's Terms and Conditions and its Rates, Options and Riders Schedules.

The availability of rates, options and riders are specified in the Rates, Options and Riders Schedules. If the operational characteristics of the Point of Service change, a different rate may be applicable and certain provisions in Article 7 in the Customer Terms and Conditions may apply. This could result in the Customer being required to pay an additional Customer Contribution or receiving a refund. A Customer requested change of service under this Section will not be made more than once in any 12-month period.

9.3 Minimum Charges

The Minimum Charge calculated in accordance with the Rates, Options and Riders Schedules will be applicable.

9.4 Consumption Period

The basis of all charges to the Retailer for Electric Distribution Service provided to a Customer is the consumption period, defined as the time between two consecutive meter readings, or estimates, or a combination thereof, for the Customer's Point of Service, unless otherwise indicated in the Rates, Options and Riders Schedules. Charges will generally be billed on a monthly basis.

The charges for Electric Distribution Service, including any applicable charges under an Electric Service Agreement, shall commence on the earlier of the first billing date after the date upon which the Customer commences taking service, or 30 days after the date that service is made available to the Customer. FortisAlberta reserves the right to enrol the Customer with its default retailer in the event that the Point of Service is not enrolled after 30 days that the service is made available.

FortisAlberta may elect to change a Customer's meter reading schedule.

9.5 Billing Period

The billing period for a Point of Service means the timeframe between scheduled meter reading or usage estimate production dates as established by FortisAlberta, and generally ranges

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between 27 and 35 days. FortisAlberta will establish the billing period for a Point of Service in accordance with the Tariff Billing Code.

The amount charged to the Retailer and invoiced periodically (generally monthly) reflects the aggregate of charges for Electric Distribution Service provided to Customers of the Retailer, with consumption periods that end within the invoicing period.

9.6 Billing Information

An invoice to the Retailer for the amounts payable by the Retailer for Electric Distribution Service will set out the billing information in accordance with the Tariff Billing Code and in accordance with the following:

- (a) the total amount due from the Retailer for Electric Distribution Service provided by FortisAlberta to Customers of the Retailer;
- (b) details of the amount due from the Retailer for Electric Distribution Service 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 an invoice pursuant to the Act and Regulations.

An invoice to the Retailer for Miscellaneous Service will set out the following information with:

- (a) the total amount due from the Retailer for Miscellaneous Service provided by FortisAlberta to the Retailer;
- (b) any other information required to be provided by FortisAlberta to the Retailer on an invoice pursuant to the Act and Regulations.

9.7 Payment of Account

The Retailer shall pay to FortisAlberta the amount invoiced within 10 calendar days after the invoice is issued. In the event that the tenth day after the bill is issued is not a Business Day, the Retailer shall pay to FortisAlberta the amount invoiced by the close of the first Business Day following the tenth day after the invoice is issued.

FortisAlberta will establish an electronic billing and payment procedure for the payment of services hereunder. Notwithstanding such procedure, FortisAlberta will accept payment by electronic fund transfer or cheque if agreed to by FortisAlberta. An invoice will be deemed to have been paid when a valid payment has been received by FortisAlberta for the full amount.

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9.8 Dispute of Amounts Owning

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 an invoice provided hereunder shall only apply to invoices rendered during a period of 1 year prior to the date that the disputing party first gives written notice of such dispute to the non-disputing party, or such longer period as may be applicable under the Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time.

The Retailer shall pay all amounts owed to FortisAlberta for any of the Electric Distribution Service provided by FortisAlberta whether or not the Customer has paid the Retailer. Failure to receive an invoice in a timely way does not release a Retailer from the obligation to pay the amount owing on the invoice.

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

FortisAlberta reserves the right to assess a service charge to the Retailer in respect of any dishonoured payment returned by the Retailer's bank for any reason as defined in the Fee Schedule included herein as Appendix "A".

9.10 Collections

Any invoice rendered for which valid payment has not been received by the due date shall be considered past due. On the first day following the payment due date, late payment charges as set out in the Section 9.9 will be applicable to all overdue billed amounts, including arrears and previously unpaid late payment charges. Failure to make payments on time will also be subject to normal credit action, which may include, but is not limited to: reminder letters; notification by telephone; use of collection agencies; withholding of additional service and legal action.

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9.11 Adjustment of Bills in Event of a Billing Error

For those Customers for whom the Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time, is applicable, 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 Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time.

For those Customers for whom Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time, is not applicable, 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 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) up to a maximum of 12 months immediately preceding the month in which the billing error was discovered; or
- (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 12 months 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.

If the period of billing error cannot be determined with reasonable accuracy because of a metering error, the undercharge or overcharge will be calculated in accordance with Section 10.6.

9.12 Collection of Other Charges

FortisAlberta shall collect from the Retailer all franchise fees and sales, excise or other taxes imposed by governmental authorities that are applicable to Electric Distribution Service,

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including Electric Distribution Service and Miscellaneous Service, provided by FortisAlberta to Customers of the Retailer.

9.13 Cessation of Distribution Tariff charges relating to Oil and Gas Service

Notwithstanding anything to the contrary in these Retailer Terms and Conditions, if FortisAlberta receives a request from the Regulated Rate Option Provider to cease applicable Distribution Tariff charges for a Point of Service, FortisAlberta may, in its sole discretion, cease such charges if:

- a) The Point of Service is located on Rural Lands;
- b) At the time that the Service Connection was originally provided, the Service Connection was not requested or approved by, or on behalf of, the then-Registered Owner of the Rural Lands;
- c) The Point of Service was constructed as an oil and gas site;
- d) The Regulated Rate Option Provider has requested that the Point of Service be De-Energized as a vacant premise for the purposes of the Settlement System Code; and
- e) The Regulated Rate Option Provider has advised FortisAlberta in writing that the Regulated Rate Option Provider has conducted a reasonable level of due diligence and determined there is no eligible customer at the Point of Service.

Any cessation of Distribution Tariff Charges made under this Section 9.13 shall be effective only from the date that FortisAlberta determines, in its sole discretion, that all of the criteria described in a) through e) above have been satisfied.

FortisAlberta has the right, but not the obligation, acting in its sole discretion, to perform a salvage of Facilities located on Rural Lands at any time from 12 months after receiving the request from the Regulated Rate Option Provider as described above.

ARTICLE 10 - METERING

10.1 Meter Reading

FortisAlberta shall endeavour to make an actual meter reading for each Point of Service for which it provides Electric Distribution Service for Customers of the Retailer in accordance with FortisAlberta's meter reading schedule. At the request of the Retailer of a Customer, FortisAlberta shall endeavour to make an actual meter reading, off-cycle, and FortisAlberta will charge the Retailer for additional meter reading expense as set forth in the Fee Schedule included herein as Appendix "A".

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At the request of the Retailer, or with the Retailer's consent, FortisAlberta may provide other metering services, above standard metering service, and may charge separate fees for such service.

10.2 Record

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

10.3 Metering Signals

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 as outlined in the Fee Schedule included herein as Appendix "A". If the Customer directly requests such information, in no circumstances shall the Retailer be liable for such charges.

10.4 Estimated Consumption and Demand

The Customer's Load 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;
- (f) where the automated reading system fails to deliver a meter read to FortisAlberta; or
- (g) 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.

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The energy demand of certain equipment which is used for short periods of time, such as arc welders, does not fully register on 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 calculate the Load estimate for the Customers of the Retailer.

10.5 Meter Testing

Measurement Canada regulates meter testing. At the request of a Retailer or Customer, FortisAlberta shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by an official designated for that purpose by Measurement Canada or accredited agency as may, from time to time, be designated for this purpose. FortisAlberta will charge a fee for meter testing pursuant to the Fee Schedule included herein as Appendix "A". 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.

10.6 Adjustments for Faulty Metering or Energy Theft

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 incorrectly metered, or when a meter is found to be inaccurate in accordance with the *Electricity and Gas Inspection Act (Canada)*, R.S. 1985, c. E-4 as amended or replaced 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.

Notwithstanding Section 9.11, in any of the above noted cases FortisAlberta may make adjustments for the lesser of the period of the error or 1 year unless otherwise required to do so by any applicable governmental authority, legislation or regulation.

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Where FortisAlberta determines that there has been unauthorized use of Electricity Services at a Point of Service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft or fraud whereby FortisAlberta or a Retailer is denied full compensation for Electric Distribution Service provided, FortisAlberta may make changes in its meters, appliances or Facilities or take other appropriate corrective action, including where necessary the disconnection of the Point of Service and will bill the Retailer of Record for the Point of Service for FortisAlberta's estimate of such unauthorized use. Nothing in this Section shall limit any other rights or remedies that FortisAlberta or a Retailer may have in connection with such unauthorized use.

ARTICLE 11 - LOAD SETTLEMENT

11.1 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.

Only for Customers of the Retailer, a Retailer may request profiling and additional settlement information above the basic service provisions for Load Settlement specified in the Settlement System Code or information previously provided by FortisAlberta providing the Retailer provides a written request to FortisAlberta outlining the purpose for the additional settlement information.

Upon satisfaction of the above requirements, FortisAlberta will advise the Retailer in a written proposal of the type of work, time of delivery and charges as set out in Appendix "A".

11.2 No Liability for Estimating Errors

The process of Retailer Load estimation involves statistical samples and estimating errors. 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. FortisAlberta shall not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under this Article. No express or implied warranties of any kind shall apply to information or services provided by FortisAlberta to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.

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ARTICLE 12 – LIABILITY AND INDEMNITY

12.1 FortisAlberta Liability

Notwithstanding any other provision of the Terms and Conditions or any provision of an agreement between FortisAlberta and a Responsible Party or between FortisAlberta and any other person, relating, directly or indirectly, to the provision of service under the Distribution Tariff (a “**FortisAlberta Agreement**”), FortisAlberta, its directors, officers, agents, employees and representatives (“**FortisAlberta Parties**”), shall not be liable to a Responsible Party, their directors, officers, agents, employees and representatives, or any other person in law, equity, tort or contract (the “**Applicable Parties**”) for any loss, injury, damage, expense, charge, cost or liability of any nature whatsoever suffered or incurred by Applicable Parties, or any of them, whether of a direct, indirect, special or consequential nature or whether incurred or suffered directly or as a result of a third party contract, howsoever or whensoever caused, and whether in any way caused by or resulting from the acts or omissions of FortisAlberta Parties, or any of them, except for direct property damages incurred by an Applicable 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 act or omission 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 negligently or wilfully is determined to be at fault. For the purpose of the foregoing and without otherwise restricting the generality thereof, “direct property damage” shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and Energy, cost of capital, and loss of use of any facilities or property, or any other similar damage or loss whatsoever.

12.2 Release

Subject to Section 12.1 above, none of the FortisAlberta Parties (as defined above) will be liable to Applicable Parties (as defined above) for any damages, costs, charges, expenses, injuries, losses, or liabilities suffered or incurred by Applicable Parties or any of them, howsoever and whensoever caused, and each Applicable Party hereby forever releases each of the FortisAlberta Parties from any liability or obligation in respect thereof.

12.3 FortisAlberta Not Liable to Customer

For greater certainty and without limitation to the foregoing in Sections 12.1 and 12.2 above, FortisAlberta Parties (as defined above) shall not be liable to a Customer party for any damages of any kind (except to the extent FortisAlberta is liable for such damages in accordance with Section 12.1):

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- (a) caused by or arising from any FortisAlberta Party's conduct in compliance with or in breach of, or as permitted by, the Terms and Conditions, a Commitment Agreement, a Retail Service Agreement, an Interconnection Agreement or an Underground Electrical Distribution System Services Agreement between FortisAlberta and a Retailer, an Electric Service Agreement between FortisAlberta and a Customer, or any legal or regulatory requirements related to service provided to Responsible Party;
- (b) caused to the Customer and arising from any failure of a Retailer to comply with the Terms and Conditions, a Retail Service Agreement, any agreement with FortisAlberta relating to Electric Distribution Service 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, including their obligation under Part 8 of the Act, to provide Electricity Services including Electric Distribution Service 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 Electric Distribution Service or performing any of the Retailer's functions in providing Electricity Services including Electric Distribution Service.

12.4 Responsible Party Liability

12.4.1 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 to the FortisAlberta Parties and indemnify and save harmless the FortisAlberta Parties for any damages, costs, charges, expenses, fees (including legal fees and disbursements on an indemnity basis), judgments, fines, penalties, injuries, losses, or any liabilities in law, equity, tort or contract suffered or incurred by FortisAlberta Parties (as defined above), whether of a direct or indirect nature or whether incurred or suffered directly or as a result of a third party contract, 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 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. Any liability and indemnity provisions hereunder are in addition to, but do not limit, the liability protection provisions of the Act and Regulations.

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

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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.

12.4.2 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 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 12.4.2(b) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Section 12.4.2(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

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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 12.4.2 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.

12.5 Force Majeure

12.5.1 Force Majeure Relief

If an event or circumstance of Force Majeure occurs that affects FortisAlberta's ability to provide a Service Connection or other interconnection to its Electric Distribution System or Electric Distribution Service, FortisAlberta's obligations and responsibilities hereunder and under any agreement relating to Service Connections or other interconnections to its Electric Distribution System or the provision of Electric Distribution Service, so far as they are affected by the Force Majeure or the consequences thereof, shall be suspended without liability to the Responsible Party until such Force Majeure or the consequences thereof are remedied and for such period thereafter as may reasonably be required to restore the Electric Distribution Service. The Minimum Charge, if applicable, will continue to be payable during the period in which FortisAlberta claims relief by reason of Force Majeure.

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12.5.2 Notice

FortisAlberta shall promptly give the relevant 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.

12.5.3 Obligation to Remedy

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

12.5.4 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 12.5.

12.6 Events of Default

An event of default under these Retailer Terms and Conditions and the Retail Service Agreement will occur if either FortisAlberta or the Retailer ("**Defaulting Party**"):

- (a) is the subject of a bankruptcy, insolvency or similar proceeding;
- (b) makes an assignment for the benefit of its creditors;
- (c) applies for, seeks, consents to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets; or
- (d) fails to pay the other party ("**Non-Defaulting Party**") when payment is due, or to satisfy any other material obligation under the Terms and Conditions or the Retail Service Agreement including, without limiting the generality of the foregoing, fulfilling the creditworthiness requirements as set forth in Article 6, in accordance with the Terms and Conditions, and fails to remedy the failure or satisfy the obligation, as the case may be, within 10 Business Days after receipt of written notice thereof from the Non-Defaulting Party.

In an event of default, the Non-Defaulting Party shall, subject to the Terms and Conditions and any applicable regulatory requirements, be entitled to pursue any and all available legal and

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equitable remedies and terminate the Retail Service Agreement without any liability or responsibility whatsoever, except for obligations arising prior to the date of termination. The non-defaulting party shall provide written notice to the defaulting party of its intention to terminate Electric Distribution Service hereunder.

ARTICLE 13 – ARBITRATION

13.1 Resolution by FortisAlberta and Responsible Party

Except as set out in Section 13.11, 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, both 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.

13.2 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 their desire to have the dispute resolved, then upon written notice by either party the dispute may be resolved through other proceedings, including arbitration, on the terms set out herein or on such terms as otherwise agreed to by the parties.

Notwithstanding anything herein, any disputed matters between FortisAlberta and a Responsible Party relating to an order or direction made or approved by the Commission or falling within the exclusive jurisdiction of the Commission, shall be referred to the Commission for resolution.

13.3 Arbitrators

Where FortisAlberta and a Responsible Party have agreed to arbitrate a dispute or difference in connection with the Terms and Conditions, the dispute or difference 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 agreeing to proceed by way of arbitration, the dispute or difference shall be referred to a Commission of Arbitrators consisting of 1 arbitrator to be appointed by each of FortisAlberta and the Responsible Party, and which arbitrators shall, by instrument in writing, jointly appoint a third arbitrator within 20 days of written notice for arbitration, after they are themselves appointed, unless FortisAlberta and the Responsible Party concur in the appointment of a single arbitrator. The arbitrator or arbitrators shall render a decision within 90 days of the latest appointment.

If an arbitration decision is not made within the time herein provided, then until it is so made and unless the other party has taken any of the actions referred to in this paragraph, a party, upon 30 days' notice to the other party and to the arbitrators, may: (i) cancel the appointment

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of the arbitrator previously made and initiate new arbitration proceedings by a new notice to the other party pursuant to this Section; or (ii) cancel such arbitration proceedings and proceed in the courts as though Article 13 did not exist.

13.4 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 their 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 their 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.

13.5 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.

13.6 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 the arbitrator to properly adjudicate upon the dispute or difference.

13.7 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 determined by the arbitrator(s).

13.8 Application of the *Arbitration Act* (Alberta)

The arbitration shall be conducted in accordance with the *Arbitration Act* (Alberta), R.S.A. 2000, c. A-43, (the "Arbitration Act") as amended or replaced from time to time. In the event of a conflict between the Terms and Conditions and the Arbitration Act, the Terms and Conditions shall prevail.

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13.9 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, and not subject to appeal.

13.10 Continuity of Electric Distribution Service

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.

ARTICLE 14 – ADDITIONAL PROVISIONS RELATING TO ELECTRIC DISTRIBUTION SERVICES

14.1 Ownership of Facilities

FortisAlberta remains the owner of all Facilities necessary to provide Electric Distribution Service to Customers unless an agreement between FortisAlberta and the Responsible Party specifically provides otherwise.

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

14.2 Proper Use of Services

A Customer assumes full responsibility for the proper use of the Service Connection and Electric Distribution Service provided by FortisAlberta and for the condition, suitability and safety of any and all wires, cables, devices or appurtenances energized by Energy on the Customer's premises or on premises controlled by the Customer that are not the Customer's property.

14.3 New Facilities and Electric Distribution 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 made pursuant to the Act, as may be amended or replaced from time to time. FortisAlberta reserves the right to charge the Customer directly for any amounts required to be provided by the Customer under the Terms and Conditions.

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14.4 Service 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 reasonable efforts to guard against interruptions, it does not guarantee uninterrupted service.

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

14.5 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. Each Responsible Party acknowledges and agrees 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.

14.6 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 applicable 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 Electric Distribution Service to the Responsible Parties. FortisAlberta's obligation to provide a Service Connection and Electric Distribution Service 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.

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14.7 No Assignment of Agreements and Invalidity of Contractual Provisions

A Responsible Party shall not assign any of their rights or obligations under the Terms and Conditions, a Commitment Agreement, an Electric Service Agreement, an Interconnection Agreement, a Retail Service Agreement, an Underground Electrical Distribution System Services Agreement or any other agreement with FortisAlberta relating to a Point of Service or Electric Distribution Service without obtaining any necessary regulatory approvals and FortisAlberta's approval where required in such agreement. No assignment shall relieve the Responsible Party of any of their obligations under the Terms and Conditions or any other agreement with FortisAlberta relating to a Point of Service or Electric Distribution Service until such obligations have been acknowledged by FortisAlberta to have been assumed by the assignee and FortisAlberta has agreed to the assumption. Any assignment in violation of this Section shall be void.

If any provision of the Terms and Conditions, a Commitment Agreement, an Electric Service Agreement, an Interconnection Agreement, a Retail Service Agreement, an Underground Electrical Distribution System Services Agreement or any other agreement with FortisAlberta is to any extent held invalid or unenforceable, the remainder of the Terms and Conditions or the agreement, as the case may be, and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

14.8 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, an Electric Service Agreement, a Retail Service Agreement or any other agreement between the Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service, or to take advantage of any of its rights hereunder or thereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder or thereunder, which shall remain in full force and effect. No term or condition of the Terms and Conditions or any other agreement between the Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service 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.

14.9 Law

The Terms and Conditions and any other agreement between a Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service 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

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in connection with the Terms and Conditions and any other agreement between a Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service shall be brought in the courts of the Province of Alberta.

14.10 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 Electric Distribution Service 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 Electric Distribution Service 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.

14.11 Notice

Unless otherwise stated herein, all notices, demands or requests required or permitted under the Terms and Conditions or any agreement with a Responsible Party with FortisAlberta for a Service Connection or Electric Distribution Service 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 Retailer, to the address set out in the Retail Service Agreement between the Retailer and FortisAlberta.

If to FortisAlberta, to:

FortisAlberta Inc.
320 - 17th Ave. S.W.
Calgary, Alberta
T2S 2V1

Fax: (403) 514-4001

Notice received after the close of a 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 to the Retailer, unless otherwise specified or as otherwise determined by FortisAlberta.

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| <p>1. Reconnection</p> | <p>This fee is applicable to a reconnection request that is to be completed during the normal business hours of FortisAlberta (which are currently 8:00 AM – 4:00 PM, Monday through Friday, excluding holidays), including a reconnection after a disconnection as a result of:</p> <ul style="list-style-type: none"> • non-compliance with applicable laws, codes, rules or FortisAlberta requirements; • non-payment; • Customer initiated alterations to the electrical system; or • a Customer-requested disconnection. | <p>\$119.00 reconnection fee, plus an additional \$83.00 fee if the following criteria are met:</p> <p>(1) the Customer is reconnected less than 12 months after the Customer requested a disconnection; and</p> <p>(2) the Customer did not pay appropriate Idle Service Charges during the period of disconnection.</p> |
| <p>2. Rush Connection</p> | <p>This fee is applicable to an immediate or urgent reconnection request. This reconnection request is only available in emergency situations (such as where weather, personal welfare or safety may be an issue) and where an error on the part of a Retailer or FortisAlberta resulted in the disconnection. A Rush Connection is not available for the purposes of obtaining priority service.</p> | <p>\$119.00</p> |
| <p>3. After Hours Reconnection</p> | <p>This fee is applicable to a reconnection request that is to be completed outside of the normal business hours of FortisAlberta (which are currently 8:00 AM – 4:00 PM, Monday through Friday, excluding holidays). An after-hours reconnection is only available if FortisAlberta can arrange to have the appropriate staff available outside of normal business hours, and in any event, only if the reconnection can be completed by FortisAlberta between 4:00 PM and 10:00 PM.</p> | <p>\$259.00</p> |

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| <p>4.</p> | <p>Service Trips</p> <p>(a) This fee is applicable to a Customer when a trip to a Customer’s Point of Service is required as a result of any of the following:</p> <ul style="list-style-type: none"> • non-compliance with applicable laws, codes, rules, the Terms and Conditions or other requirements of FortisAlberta; • unsafe conditions; • deficiencies related to Customer facilities; or • the request for service is cancelled or deferred after FortisAlberta field staff have been mobilized; or • a request to install, remove, maintain, test, or operate non-standard metering equipment as approved by FortisAlberta. <p>(b) A Customer will be required to pay the actual costs of a Customer requested service call if it is determined by FortisAlberta that the source of the Customer’s problem is the Customer facilities and not FortisAlberta’s Facilities.</p> | <p>\$119.00</p> |
| <p>5.</p> | <p>No Access</p> <p>This fee is applicable when access to a site is considered by FortisAlberta’s employees, agents or other representatives as unsafe or is otherwise prevented, hindered or refused.</p> | <p>\$119.00</p> |
| <p>6.</p> | <p>6(a) Off-Cycle Meter Reading</p> <p>This fee is applicable when an off-cycle meter read is requested for a standard (AMR) meter.</p> | <p>\$36.00</p> |

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| <p>6(b) Non-AMR Reading</p> <p>This fee is applicable when electronic polling of the meter is not possible due to the customer’s request for a non-standard (AMR) meter and manual meter reads, and other non-standard operational support activities are therefore required.</p> | <p>\$119.00 per read</p> |
| <p>7. Interval Meter Installation</p> <p>For Interval Meter installation at Points of Service with a Contract Minimum Demand of less than 333 kW (which coincides with an Operating Demand of less than 500 kW) (does not apply to DG Customers who own and poll the meters). This will be charged directly to the Customer.</p> | <p>Incremental cost on a per site basis (including time and materials but excluding additional cost of meter itself)</p> |
| <p>8. Meter Testing</p> <p>This fee is applicable when a request to test a meter is received. The fee is will be refunded by FortisAlberta if the meter is determined by FortisAlberta to be faulty through no fault of the Customer. This fee may be charged directly to the Customer.</p> | <p>\$114.00 for Residential and Farm Customers and \$135.00 for all other Customers</p> |
| <p>9. Meter Signal</p> <p>This fee is applicable to cover the time and material associated with meter signal requests. Costs can vary a great deal by service and must be determined on a site-by-site basis. This will be charged directly to the Customer.</p> | <p>Material cost to be determined on an individual site basis.</p> <p>Time cost is \$26.00/hr for a regular meter and \$52.00/hr for an interval meter, subject to a 1 hour minimum charge</p> |

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| <p>10. Meter Tampering</p> <p>FortisAlberta shall be entitled to recover its direct and indirect costs and damages suffered as a result of any unauthorized use of Electricity Services, including, but not limited to, a broken seal, unauthorized connection or reconnection, energy theft, fraud or any other unauthorized use that requires FortisAlberta to take corrective action. This is exclusive of any costs or damages that may be imposed or suffered as a result of consumption and demand adjustments.</p> | <p>Costs incurred and damages suffered (in each case, both direct and indirect) by FortisAlberta</p> |
| <p>11. Customer Usage Information Request</p> <p>This fee is applicable when a request is made for specific Customer Usage Information for a period more than 425 calendar days from the request date. This will be charged directly to the requesting party.</p> | <p>\$26.00/hr for a regular meter and \$52.00/hr for an interval meter With a 1 hour minimum charge</p> |
| <p>12. Settlement History or Confirmation of Settlement Data</p> <p>This fee is applicable when a request is made for historical Load Settlement data and an investigation is required to be performed by FortisAlberta in respect of suspect data or suspected undelivered data. In the event that the data is, in the opinion of FortisAlberta, substantively incorrect or undelivered, the fee will be waived. This will be charged directly to the requesting party.</p> | <p>\$52.00/hr With a 1 hour minimum charge</p> |
| <p>13. Site ID Search</p> <p>This fee is applicable when a request is made for a site ID that is in the wire service provider site ID catalogue.</p> | <p>\$16.00</p> |
| <p>14. Dishonoured Payments</p> <p>This fee is applicable for all dishonoured cheques or other payment dishonoured, rejected or reversed by any financial institution for any reason. This will be charged directly to the defaulting party.</p> | <p>\$21.00</p> |

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| <p>15. Excess Wattage</p> <p>Festive lighting service is available to municipalities who require decorative lighting for the Christmas season or other festive occasions during the months of December through February. A municipality may install festive lighting with a total wattage of up to 15% of their total street lighting wattage for a six week period at no charge. Any wattage in excess of 15% is charged the Excess Wattage charge. This will be charged directly to the municipality.</p> | <p>\$1.00 per kW per day</p> |
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APPENDIX B – DISCONNECT OF A POINT OF SERVICE

In accordance with the Act and as set out in these Retailer Terms and Conditions, a Retailer shall have the right to request that FortisAlberta disconnect service to a particular Customer, and FortisAlberta shall comply with that request. FortisAlberta's policy (as approved in the Terms and Conditions) with respect to disconnecting Customers is set out below.

1. Where a Retailer requests FortisAlberta to disconnect a Customer, the Retailer shall provide to FortisAlberta updated Customer Information. FortisAlberta reserves the right, but is not obligated, to notify the Customer of the pending transaction, verify the identity of the Customer of the Retailer, and the accuracy of the Customer Information that has been provided by the Retailer. FortisAlberta will not assume any billing or collection obligations or responsibilities for or on behalf of the Retailer.
2. A Retailer may request that FortisAlberta disconnect a Point of Service by providing a notice of De-Energization pursuant to the requirements of the Retailer Guidebook and the Settlement System Code. Such notice of De-Energization shall clearly specify the Retailer's reasons for seeking to disconnect a Point of Service. Upon receipt of such notice, FortisAlberta will, in compliance with the Settlement System Code, either process the De-Energization request or notify the Retailer that the notice of De-Energization had been rejected and the reason(s) for such rejection.
3. Unless otherwise requested by the Retailer, FortisAlberta:
 - (a) will schedule a disconnect between 8:00 A.M. to 4:00 P.M.;
 - (b) will not disconnect on Friday, Saturday, Sunday, a legal holiday, or a day before a legal holiday; and
 - (c) in certain remote areas where travel is difficult, will schedule the disconnects in that area to occur once every 10 Business Days.
4. The Retailer is responsible to ensure that its Customer is provided notice of a disconnection and for the consequences of the disconnection. FortisAlberta will have no liability for any disputes between the Customer and the Retailer in relation to a disconnection.
5. FortisAlberta may reject the disconnection request 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.
6. FortisAlberta will not process a disconnection if FortisAlberta believes disconnection would cause any actual or threatened danger to life or property.

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7. FortisAlberta will not disconnect a residential or farm service Customer:
 - (a) at any time during the period from October 15 to April 15; or
 - (b) 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 Energy provided to the Customer.
8. The Retailer shall remain responsible for Electricity Services to the Customer until the earlier of:
 - (a) a replacement Retailer is appointed and in place for the Customer; or
 - (b) the Customer's Point of Service is Permanently Disconnected.
9. If a Retailer requests a De-Energization due to vacancy, FortisAlberta will dispatch the appropriate resources to execute the De-Energization. Should it become apparent that the Point of Service is occupied and the Customer is not on-site when FortisAlberta arrives to De-Energize, FortisAlberta reserves the right to reject or suspend the De-Energize request and not to De-Energize immediately, but rather leave a warning notice in order to give the Customer the opportunity to make appropriate arrangements for electricity service.
10. At the request of the Retailer or the Customer, FortisAlberta will leave all of its Facilities in place after the Point of Service has been De-Energized if the Retailer or Customer, as applicable, agrees to pay Idle Service Charges.