

ALGOMA POWER INC

Distribution Customers



Conditions of Service

December 2009



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1.0 INTRODUCTION

These Conditions of Service describe Algoma Power Inc. (API) operating practices and connection policies and set out the terms and conditions upon which API offers and the Customer accepts Distribution Services.

Your safety and the safety of others are of primary concern to Algoma Power Inc.. As such, these Conditions of Service do not authorize or encourage any person or entity including, but not limited to, a Customer, a Customer's officers, directors, agents and/or employees and successors and assigns to engage in any activity that may cause personal injury or damage to property including, but not limited to, property belonging to Algoma Power Inc., a Customer or any other party. Algoma Power Inc., its officers, directors, agents and/or employees and successors and assigns are not responsible for any damages, claims, liabilities, costs, demands, actions, expenses or compensation that may arise from these Conditions of Service. If you have any questions regarding these Conditions of Service, please contact API's Customer Service.

Terms contained in these Conditions of Service or in any contract for the supply of electricity by API shall not prejudice or affect any rights, privileges, or powers vested in API by law under any Act of Legislature of Ontario or the Parliament of Canada, or any Regulations there under. Public Works on a highway is a higher hierarchy.

The definitions of terms used in these Conditions of Service appear in section 4.0. GLOSSARY OF TERMS used in these Conditions of Service have the meaning ascribed in that section.

1.1 IDENTIFICATION OF DISTRIBUTOR AND SERVICE AREA

API is an electricity distributor licensed by the Board to distribute electricity pursuant to Part V of the *Ontario Energy Board Act, 1998*. In accordance with its electricity distribution license, API owns and operates its Distribution System in the service area described therein. Schedule 1 of API's Distribution License, ED-1999-0227, describes API's service area as consisting of 1701 km of lines with voltages ranging from 2.4 KV up to 44 KV. In addition, there are 15 distribution supply points from the API's transmission system and 14 sub-transmission distribution substations. API's service territory is mainly rural outside the City of Sault Ste. Marie and extends 93 km east and approximately 255 km north. API's Distribution System covers an area of approximately 14,200 square kilometers in a remote area of northern Ontario.

1.2 RELATED CODES AND GOVERNING LAWS

The supply of electricity or related services by API to any Customer shall be subject to various laws, Regulations, and Codes, including the provisions of the latest editions of the following documents:

1. Electricity Act, 1998
2. Ontario Energy Board Act,
3. Distribution License
4. Affiliate Relationships Code
5. Transmission System Code
6. Distribution System Code;
7. Retail Settlement Code; and
8. Standard Service Supply Code.

In the event of a conflict between this document and the Distribution License or regulatory Codes issued by the Ontario Energy Board, the Electricity Act, 1998 (the "Act"), the provisions of the Act, the Distribution License and associated regulatory Codes shall prevail in the order of priority indicated above. If there is a conflict between a Connection Agreement with a Customer and this Conditions of Service, this Conditions of Service shall govern.

When planning and designing for electricity service, Customers and their agents must refer to all applicable provincial and Canadian Electrical Codes, and all other applicable federal, provincial, and municipal laws, Regulations, Codes and By-Laws to also ensure compliance with their requirements. Without limiting to the foregoing, the work

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shall be conducted in accordance with the latest edition of the Ontario Occupational Health and Safety Act (OHSA), the Regulations for Construction Projects and the harmonized Electric Utility Safety Association (EUSA) rulebook.

1.3 INTERPRETATIONS

In these Conditions of Service:

- (a) Headings are for reference only and shall not affect the interpretation of this document.
- (b) Works importing the singular include the plural and vice versa.
- (c) a reference to a person includes a reference to the persons, executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation), and assigns;
- (d) an agreement, representation or warranty on the part of, or in favor of, two or more persons binds or is for the benefit of them jointly and severally;
- (e) specified periods of time refer to business day, and dates from a given day or the day of an act or event is to be calculated exclusive of that day;
- (f) a reference to a day to be interpreted as the period of time commencing at midnight and ending 24 hours later and does not include weekends and API recognized holidays.

Recognized holidays means the days designated by API from time to time. Until otherwise designated these holidays are:

New Years Day	Thanksgiving Day
Good Friday	Christmas Day
Easter Monday	Boxing Day
Victoria Day	August Civic Holiday
Labour Day	Canada (Dominion) Day
Remembrance Day	

- (g) A reference to a document or a provision of a document includes any amendment or supplement to, or a replacement of, that document or that provision of that document.
- (h) A request for clarification shall be submitted in writing, and the final arbitrator between Customer and distributor shall be the Ontario Energy Board.

1.4 AMENDMENTS OF CHANGES

The provisions of these Conditions of Service and any amendments made from time to time form part of any contract between API and any Customer, retailer, and these Conditions of Service super cede all previous Conditions of Service oral or written.

This document may be amended only in accordance with the procedures set out by the Ontario Energy Board in the Code. In addition to the amendment procedures as set out in the Code, API's senior management must give approval of any proposed amendments.

1.5 CONTACT INFORMATION

For general inquiries API can be reached as follows:
Algoma Power Inc.
2 Sackville Rd.
Sault Ste. Marie, ON P6B 6J6

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BUSINESS HOURS

8:00 am to 4:30 pm weekdays except recognized holidays described in 1.3 (f)

TELEPHONE NUMBERS

Local	1-705-256-3850
Toll Free	1-877-457-7378

EMERGENCIES – TELEPHONE NUMBERS

Local	1-705-253-0211
Toll Free	1-800-335-0284

INTERNET www.algomapower.com (website)
customerservice@algomapower.com

1.6 CUSTOMER RIGHTS

API shall only be liable to a Customer and a Customer shall only be liable to API for any damages that arise directly out of the willful misconduct or negligence:

- (a) of API in providing Distribution Services to the Customer
- (b) of the Customer in being connected to API's Distribution System; or
- (c) API or the Customer in meeting their respective obligations or exercising their respective rights under these Conditions of Service, their licenses and any other Applicable Laws.

Notwithstanding the above, neither API nor the Customer shall be liable under any circumstances, whatsoever, for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential, incidental or special damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise.

The Customer shall indemnify and hold harmless API, its directors, officers, employees and authorized agents from any claims made by any third parties related to the construction, installation, or connection of a Generation Facility by or on behalf of the Customer.

The Customer has the right to choose to purchase electricity from any licensed retailer.

API agrees to use diligence in providing a regular and uninterrupted supply of electricity, but does not guarantee a constant supply of electricity and will not be liable to the Customer for damages for failure to supply electricity to the said premises.

1.7 DISTRIBUTOR RIGHTS

1.7.1 SPACE AND ACCESS

The Customer shall provide API, free of charge or rent, with a convenient and safe place for API Facilities and Equipment on the Customer's premises or approaches thereto. API assumes no risk and under no circumstances will API be liable for any damages resulting from, arising out of, or related to the presence of API Facilities and Equipment.

The Customer shall not allow any one other than an employee, or authorized agent of API, or person lawfully entitled to do so, to repair, remove, replace, alter, inspect and tamper with API Facilities and Equipment on the Customer's premises.

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The Customer hereby grants Algoma Power Inc. (API), its successors and assigns, the unrestricted right, privilege and easement, free of charge or rent, to use so much of the service location and to enter on, in, upon, along and over the service location at any time as API may, in its sole discretion, deem it necessary or desirable for purposes of performing the work and for its employees, servants, agents, contractors and subcontractors to pass and re-pass with or without vehicles, supplies, machinery and equipment, on, in upon, along and over the service location at any time to perform the work and for all purposes necessary or convenient to the exercise and enjoyment of the right, privilege and easement hereby granted.

1.7.2 LIABILITY FOR DAMAGE API EQUIPMENT

API facilities and equipment located on the Customer's premises are in the care of and at the risk of the Customer. If any of API facilities and equipment are damaged or destroyed by willful misconduct or negligence of the Customer including fire or any other cause other than ordinary wear and tear, the Customer shall pay API the value of said API facilities and equipment or the cost of repairing or replacing same.

1.7.3 SAFETY OF EQUIPMENT

The Customer shall not build, or cause to be built, plant or maintain any structure, tree, shrub or landscaping that would obstruct or endanger any API Facilities and Equipment, interfere with the proper and safe operation of the Distribution System or any part thereof or affect API compliance with any Applicable Laws.

The Customer shall comply with all Applicable Laws, including, but not limited to the Ontario Electrical Safety Code. The Customer shall ensure that the Customer equipment is properly identified and connected for metering and operation purposes and will take whatever steps necessary to correct any deficiencies in a timely fashion.

Where applicable, Customer equipment shall be subject to the reasonable acceptance of API and the approval of the Electrical Safety Authority. API approval of any Customer equipment is solely for the purposes of API protecting its Distribution System and the Customer is solely responsible for protecting its own property.

1.7.4 TESTING CUSTOMER'S LOAD

The Customer shall allow API to install and use meters and other equipment to conduct tests to determine the electrical characteristics of the Customer's load.

1.7.5 API AUTOMATIC RE-CLOSING FACILITIES

In order to safeguard and protect the Distribution System, API installs facilities for automatic re-closing of circuit breakers, re-closing facilities, and from time to time may change the re-closing time of any such re-closing facilities. The Customer shall be responsible for protecting at his own expense:

- (a) adequate protective equipment for any electrical apparatus which might be adversely affected by re-closing facilities; and
- (b) such equipment as may be required for the proper reconnection of any apparatus or equipment of the Customer, without adversely affecting the proper functioning of the re-closing facilities.

1.7.6 REGISTRATION AS A WHOLESALE MARKET PARTICIPANT

In order for API to make the necessary changes to its billing systems, Customers who wish to register or de-register with the Independent Electricity System Operator (IESO) as Wholesale Market Participant shall notify API in writing at least 60 days in advance. The Customer must ensure that sufficient time is provided for IESO registration or de-registration.

1.7.7 FORCE MAJEURE

Other than for any amounts due and payable by the Customer to API or by API to the Customer, neither API nor the Customer shall be held to have committed an event of default in respect of any obligation under these Conditions of Service if prevented from performing that obligation, in whole or in part, because of a Force Majeure event.

If a Force Majeure event prevents either party from performing any of its obligations under these Conditions of Service, that party shall:

- (a) notify the other party, as soon as commercially reasonable, of the Force Majeure event and its assessment in good faith of the effect that the event will have on its ability to perform any of its obligations. If the immediate notice is not in writing, it shall be confirmed in writing as soon as reasonably practical;
- (b) Not be entitled to suspend performance of any of its obligations under these Conditions of Service to any greater extent or for any longer time than the Force Majeure event requires it to do;
- (c) use its best efforts to mitigate the effects of the Force Majeure event, remedy its inability to perform, and resume full performance of its obligations;
- (d) keep the other party continually informed of its efforts;
- (e) provide written notice to the other party, as soon as commercially reasonable, when it resumes performance of any obligations affected by the Force Majeure event; and
- (f) if the Force Majeure event is a strike or a lock out of API employees or authorized agents, API shall be entitled to discharge its obligations to notify its Customers in writing by means of placing an ad in the local newspaper.

1.8 DISPUTES

Customer complaints that cannot be resolved by calling API's Customer Service Department will be escalated to API's Customer Service Supervisor (the 'CSS'), which will serve as the primary point of contact with API. The CSS will make contact with the Customer, coordinate internal complaint activities, research, investigate, and follow up (when necessary) on the complaint to ensure resolution and closure.

In the event that issues cannot be resolved between API and the Customer, complaints can be escalated to a third party complaints resolution agency, which has been approved by the Board. Until such time as the Board approves an independent third party dispute resolution agency, the Board will assume this role.

2.0 DISTRIBUTION ACTIVITIES – GENERAL

2.0.1 STANDARD CUSTOMER SUPPLY

API will provide the following standard Distribution Services to all new Standard Customers;

- (a) over-head transformation up to a maximum service size on distribution voltage lines only;
- (b) standard metering;
- (c) up to 30 metres of applicable overhead secondary conductor or an equivalent credit towards underground conductor or larger overhead conductor on new installations;
- (d) one layout or estimate for a service connection;
- (e) one trip to the site to connect a service; and
- (f) 24-hour emergency response service.

2.0.2 CABLE LOCATES

Upon request, API will locate, if able, all secondary and primary underground cables without charges one time per year. If API is unable to locate an underground cable, API will provide a service Disconnection and reconnection

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during normal working hours with charge. API will charge for underground cable locates outside normal business hours, other than in an emergency situation.

2.0.3 FAULT LOCATES AND REPAIRS

API will normally locate and repair faults on all API owned underground cables without charge. In the event that the Customer or third party causes a fault and/or damage, the costs of repair will be charged to the party responsible.

In the event that structures, pavement, or landscaping make the cable inaccessible for repair, the Customer shall provide all civil work, supports, vegetation and landscaping associated with any repair/replacement of the cable that has failed.

2.1 CONNECTIONS

Prior to API connecting a Customer (excluding Embedded Distributor) in an unorganized township, the Customer must provide evidence to API that it has obtained a municipal building approval from the Ministry of Municipal Affairs, Ministry of Natural Resources, the Planning Board, or private owners (i.e. ACR) that has jurisdiction over the unorganized township. A non-security deposit will be required and credited to the account if connection occurs within a year of the application date.

2.1.0.1 TYPES OF CONNECTIONS

The standard service connections to the Distribution System include:

- (a) basic connection, and may include
- (b) a system expansion

2.1.0.2 OTHER TYPES OF CONNECTIONS

SERVICE UPGRADES

The terms and conditions applicable to a Standard Customer supply connection (described in section 2.0.1 except Item C) and to an expansion (described in Section 2.1.2) also apply to a Customer with an existing connection requesting a service capacity increase.

SUBDIVISIONS AND DEVELOPMENTS

The terms and conditions applicable to a Customer connection (described in section 2.0.1) and to an expansion (described in section 2.1.2) also apply to subdivisions and developments.

COMMON SERVICE TAPS

Up to a maximum of two separately metered Standard Customer services will only be supplied by a privately owned single tap (Common Service Tap) when:

- (a) the Standard Customers and API agree on the location;
- (b) the Common Service Tap is located on property owned by one or both of the neighboring Standard Customers;
- (c) the common service line will be built in compliance with the Ontario Electrical Safety Code;
- (d) each Standard Customer will have signed a Pole Sharing Arrangement (see Appendix A);
- (e) ownership of the Common Service Tap shall remain with one or more of the Standard Customer(s).

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If all the above conditions cannot be met, each Standard Customer will be required to supply, install, and own a separate line on its own property in accordance with the provisions of these Conditions of Service.

The Customers supplied by a given Common Service Tap shall be jointly and severally liable for the maintenance and repair of any common facilities.

TEMPORARY CONNECTIONS

If a Customer requires temporary service, the two types and applicable charges are as follows:

- (a) for a service that at a later date will become a permanent service site: a standard service fee is charged;
- (b) for a service that has a finite connection and cancellation time period (for example, service to construction sites): the material cost of the transformation and metering will be provided by API without charge. All other labour and material costs to install and remove the service will be charged to the Customer based on actual costs.

SUBTRANSMISSION SERVICE – EXCLUSIVE OF EMBEDDED DISTRIBUTOR

Requests for Subtransmission Service are treated as expansions; however, transformation conductor or a credit for conductor is not provided by API. A MIST Meter is required for all Subtransmission Customers with an average estimated load exceeding 500 kilowatt ('kW') annually, and the Subtransmission Customer will be required to contribute to the costs in accordance with the section titled Interval Metering.

EMBEDDED DISTRIBUTOR

Facilities for an Embedded Distributor requiring Distribution Service or Subtransmission Service are normally treated as an expansion. Transformation and conductor are not provided. A MIST Meter is required for all connections and is either provided by the Embedded Distributor or by API in which case actual costs will be charged to the Embedded Distributor. Additional charges for additional metering points may be applicable.

2.1.0.3 METERED SERVICES

CENTRAL METERED SERVICES (CMS)

At the request of a Standard Customer, API may, at its discretion, supply a single-phase Standard Customer with a central metering service to two or more buildings. The Standard Customer shall:

- (a) Pay the difference between the cost of the standard meter API would have provided to the Standard Customer under the Standard Supply Code and the transformer rated meter required for CMS.
- (b) comply strictly with the Ontario Electrical Safety Code and API's distribution standards;
- (c) have an appropriately sized main disconnect and equipment for each service connected to the central metering service; and
- (d) supply and install, at its own expense, all conductor, poles, and underground conductor, as required on their Private Property.

At the discretion of API, the maximum number of services to be connected at the central metering point may be four. Additional services must be connected downstream of the central metering point.

PRIMARY METERED SERVICES

When a Customer requests a Primary Metered Service (connected at the primary voltage level), the Customer shall install own and maintain, at its own expense, the entire Distribution System required downstream from the metering

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point, which includes conductors, poles, and transformation. At Algora Power Inc.'s discretion, when secondary metering is not practical to meter the new Customer's load, API will provide the primary metering at the Customer's expense.

EXISTING PARKS - NON PRIMARY METERED

For an existing park, where API owns as of October 1, 2003, the transformers on the Standard Customer's distribution line and the secondary metering within the park boundary, API will continue to own these facilities provided that no new services are added.

When the park owner requests additional services within the park or such additional services are required, the following conditions shall apply;

- (a) The park owner will, subject to Board approval, purchase the existing distribution facilities owned by API within the park boundary ("existing park facilities"). If the park owner does not purchase the existing park facilities, the park owner may choose to replace the existing park facilities at its' own expense and will own the new facilities.
- (b) The park owner shall supply and install new distribution facilities including transformers, etc. as required for the addition.
- (c) API shall remove existing secondary metering, install a primary metering unit at or near the Standard Customer's property limit without charge, and consolidate existing contracts into one General Service account.
- (d) Park owners, shall meet all the requirements of the Electric Safety Authority.

2.1.0.4 SERVICE AND SUPPLY LOCATIONS

API reserves the right to determine the service supply and connection locations. The Customer shall obtain API's approval prior to the construction of electrical facilities.

One service layout or estimate is normally provided without charge. The Customer shall pay API a fee if the Customer changes any of its connection requirements after the initial free layout or estimate is provided or the Customer requests further estimates or layouts for the same connection.

SERVICE DEMARCATION POINTS

Connections to the Distribution System are either Secondary Service Connections, or Primary Service Connections. See Appendix A, Demarcation Point Examples.

SECONDARY SERVICE CONNECTIONS

Secondary Service Connections can be supplied when the Standard Customers can be served directly from the Distribution System via a connection to the low-voltage side of the distribution transformation.

FOR SECONDARY SERVICE OWNED AND MAINTAINED BY THE CUSTOMER, THE OPERATIONAL DEMARCATION POINT IS AT:

- (a) the top of the Customer's service entrance stack and the meter for overhead connections;
- (b) the line side of the Customer's meter base for underground connections; and
- (c) the source side metering point for a central metered service.

For Secondary Services wholly owned and maintained by the Customer, the Demarcation Point is the secondary connection at the transformer or the service bus.

NUMBER OF SERVICE ENTRANCES

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Normally API permits only one service entrance per property. Where it is not technically or financially feasible to have one service entrance, API will connect one additional service entrance, to a maximum of 2 on the same property.

API will provide Customers with the option of having a central metered service or a Primary Metered Service to combine the multiple service entrances.

CUSTOMER SUPPLIED SECONDARY WIRE

The Standard Customer shall install, own, and maintain the secondary conductor under any of the following conditions:

- (a) conductor termination are inside the Standard Customer's building;
- (b) conductor is installed beyond the service entrance;
- (c) conductor is connected to a Primary Service; or
- (d) conductor is non-standard installation

PRIMARY SERVICE CONNECTIONS

For Primary Service, the Ownership Demarcation Point is the primary hot line clamp or line switch installed at API's distribution line or pole near the Customer's property line.

MAXIMUM SERVICE CAPACITY

The maximum capacity of Primary Service or Secondary Service will be determined by API based on system configuration.

2.1.0.5 TRANSFORMATIONS

The maximum overhead transformer sizes for standard secondary voltages installed by API without charge are:

- (a) For a Single Phase overhead Standard Customer connection: 167 k VA.
- (b) For a Three Phase Standard Customer connection: 500 k VA.

Customers requiring non-standard secondary voltages will be responsible for installing, owning, maintaining and operating their own transformer.

PADMOUNTED TRANSFORMERS (UNDERGROUND TYPE)

Maximum transformer sizes supplied by API are:

- (a) for a Single Phase Standard Customer connection: 150kVA
- (b) for a Three Phase Standard Customer connection: 500 kVA (Y-Y)

Standard Customers requesting underground pad-mounted type transformers will pay the difference in material costs between the overhead and the underground transformation, and supply and install at the Standard Customer's expense an appropriate transformer pad, appropriate grounding, etc.

Standard Customers shall install their own pad-mounted transformer larger than 500 kVA and will be entitled to a transformation credit.

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Customers requiring non-standard secondary voltages will be responsible for installing, owning, maintaining and operating their own transformer.



STATION TRANSFORMERS

API does not supply station type transformers for new connections.

The high voltage protection of a Customer supplied and owned transformer(s) shall meet and co-ordinate with API's Distribution System protection. An appropriate transformation ownership allowance shall be applied.

The Customer shall supply the station site, pad, transformers, fencing, structure, and distribution line on private property in accordance with the Ontario Electrical Safety Code.

Existing API owned station type transformers serving a Customer would be maintained to the end of their useful life. At the sole discretion of Algoma Power Inc., at the end of the useful life, the Customer will supply, install, own, and maintain the replacement unit.

2.1.0.6 SWITCHING – CUSTOMER STATIONS

Operations of Customer owned switches on the high-voltage side of a Customer's station shall be performed by a Customer's staff or its agent.

2.1.0.7 TREE AND VEGETATION MANAGEMENT

Customers are responsible for all initial and continuing tree trimming, tree and bush removal for all new and existing services on a Customer's property. Clearances will conform to the Ontario Electrical Safety Code.

For distribution or subtransmission lines built by the Customer, and where ownership is to be transferred to API upon connection, the clearances will conform to API's distribution standards.

2.1.0.8 STAKING AND ENGINEERING FEES

API will provide staking and design of the power line that will become owned and maintained by Algoma Power Inc. at the Customer's expense (expenses could include costs associated with property issues, necessary permits, surveying, etc.).

2.1.1 BUILDING THAT LIES ALONG

A basic connection is *the connection of a building that lies along API's Distribution System and requires no system expansion work* in order to connect. API provides basic connection without direct charges to all Standard Customers.

The basic connection consists of:

- (a) supply and installation of standard overhead transformation which includes secondary bus extensions or installation complete with conductor and anchoring;
- (b) supply and installation of standard metering;
- (c) an estimate and layout for the new service;
- (d) connection of the secondary or primary service at described demarcation points;
- (e) an equivalent credit of up to 30m (100') of 4/0 (maximum size) triplex overhead or underground secondary conductor.

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Note: If the supply requires multiple runs of a smaller conductor overhead or underground, then the maximum credit allotment will be for a 30 meter (100') single run (on new installations only).

All Standard Customers will be responsible for any shortfall between the Net Present Value of the Revenue horizon and the total costs of connection. The discounted cash flow model uses average costs of connection by Standard Customer class.

Where applicable, Standard Customers will also be responsible for:

- (a) the supply of tree and vegetation management on customer's property;
- (b) any easements or property agreements as required by API;
- (c) a service upgrade charge, if incremental revenue from additional load is not sufficient to recover the cost within the revenue horizon of upgrading the service;
- (d) the costs of any fees, permits, or other permissions required to connect the service.

2.1.2 EXPANSION/OFFER TO CONNECT

Under the terms of the Code, API is required to make an "offer to connect" to any new Customer that is in API's service territory. When API is required to add new API Facilities and Equipment, alter existing API Facilities and Equipment, or increase the capacity of the Distribution System to connect a new Customer or to accommodate an existing Customer, API will perform an economic evaluation. An economic evaluation will determine the Customer's share, if any, of the equipment, labour, material and on-going maintenance costs of the expansion (the "expansion costs"). If the Present Value of the future revenue is not sufficient to recover the expansion costs, the Customer will be required to pay a capital contribution determined in accordance with the Code.

API performs the economic evaluation using a Discounted Cash Flow Model as specified in the Code.

2.1.2.1 OFFER TO CONNECT

API will respond to requests for connection within the following time frames:

- (a) From Standard Customers and Subtransmission Customers by no later than 15 calendar days from receipt of the request. At this time, API will specify any information that must be provided, and any obligations that must be met, by the Standard Customer and Subtransmission Customer in order for API to process the request. An offer to connect will be made by no later than 60 calendar days following API receipt of all necessary information and the Standard Customer and Subtransmission Customer meeting of all its obligations; and
- (b) From Embedded Generators and Embedded Distributors will follow the terms outlined in the related appendices of the Code. At this time, API will specify any information that must be provided and any obligations that must be met, by the Customer in order for API to process the request. An offer to connect will be made within the time frame specified in the Code.

Further to the requirements of the Code, at a minimum, the "offer to connect" will contain:

- (a) a statement as to whether the offer is a firm offer or an estimate;
- (b) a description of material and labour required to build the expansion to connect the Customer if a capital contribution is required from the Customer;
- (c) an estimated cost of expansion that would be revised based upon the actual costs incurred;
- (d) An estimate of the capital contribution to be charged to the Customer to construct the expansion. The estimate will delineate costs attributed to engineering design, materials, labour, equipment, and administrative activities;
- (e) An estimate of the amounts to be paid by the Customer to API if the Customer is being added to a Single- or Three-Phase line.
- (f) a description and estimate of the connection charges that would apply;
- (g) identifications of work for which the Customer may seek alternative bids;

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- (h) terms and conditions for payments and deposits required;
- (i) any additional information pertinent to the offer; and
- (j) description of, and costs for the contestable work and the uncontestable work broken down into labour, materials, equipment, overhead.

2.1.2.2 ALTERNATIVE BIDS

Customers may seek alternative bids for the connection and expansion facilities from any of the Electrical Safety Authority list of qualified contractors if the offer meets the following conditions:

- (a) the project requires a capital contribution from the Customer; and
- (b) the construction work will not involve work on existing circuits.

The Customer shall be responsible for:

- (a) selecting, hiring, and paying the qualified contractor all the costs for the work eligible for the alternative bid;
- (b) assuming full responsibility for the construction of that aspect of the expansion project;
- (c) Administering the contract. Administering the contract includes acquisition of all required permissions, permits, and property rights as required;
- (d) constructing the System Expansion (line extension) to meet API's design requirements;
- (e) paying an inspection fee to API for inspection of the construction;
- (f) paying the cost of any easements or property agreements as required by API;
- (g) paying costs for all design engineering;
- (h) paying all applicable Electrical Safety Authority inspection fees; and
- (i) the line to be constructed is located on private property.

API shall be responsible for:

- (a) providing the design specifications for the construction; and
- (b) inspecting and authorizing the line for connection.

PRIVATE OWNERSHIP OF ALTERNATE BID CONSTRUCTION

The Customer will construct and own the expansion if it is located on private property.

2.1.2.3 REBATES FOR CAPITAL CONTRIBUTION CUSTOMERS

In the event that a Customer is added to an expansion that was constructed and paid for by another Customer, and within 5 years of the original construction, API will use the economic evaluation to recalculate the capital contribution of both the original and the new Customer(s), based on the forecasted load and revenue of the new Customer.

Note: If the original economic evaluation had included additional Customers within the five-year connection horizon, no rebate will be given.

The new Customer(s) will contribute their fair share of the original expansion costs prior to the connection for the shared portion of the line, and the original contributor will be entitled to a rebate without interest based on the apportioned benefit for the remaining period. The apportioned benefit shall be determined by considering such factors as the relative load level and the relative line length (in proportion to the line length being shared by both parties). No rebates will occur after the 5 years connection horizon has expired.



Rebates for Refund Administration Service

Rebates will normally be made to the original contributor. It is the original contributor's obligation to inform API of any change of address.

2.1.2.4 EXPANSION DEPOSIT

For expansions that require a capital contribution, API may require the Customer to provide an expansion deposit. The amount shall be the lesser of 100% of the present value of the forecasted revenue and 100% of the net present value of capital contribution required from the Customer. Both amounts are to be determined by the economic evaluation.

For expansions that do not require a capital contribution, the Customer will provide, if required by API, an expansion deposit for up to 25% of the present value of the projected revenue.

The expansion deposit shall be in the form of cash, letter of credit from a bank as defined in the *Bank Act*, or surety bond. API shall allow the Customer to select the form of the expansion deposit.

If the expansion deposit is in the form of cash, API shall return the expansion deposit to the Customer together with interest in accordance with the following conditions:

- (a) interest shall accrue monthly on the expansion deposit commencing on receipt of the total deposit required by API; and
- (b) the interest rate shall be as set out in the Code.

Once facilities are energized, API shall annually return the percentage of the expansion deposit in proportion to the actual connections (for residential developments) or actual demand (for commercial and industrial developments) that materialized in that year. This annual calculation shall only be done for the duration of the customer connection horizon of five (5) years. If at the end of the customer connection horizon the forecasted connections (for residential developments) or forecasted demand (for commercial and industrial developments) have not materialized, API shall retain the remaining portion of the expansion deposit.

If the Customer chooses an alternate bid, API will collect an expansion deposit in the amount of 10% of present value of the projected revenue, and:

- (a) retain and use the expansion deposit to cover if it must complete, repair, or otherwise bring the facilities up to standard. Complete, repair, or bring up to standard includes API's cost to ensure that the expansion is completed to the proper design and technical standards and specifications; and
- (b) retain up to 10% of the expansion deposit for a warranty period of up to two (2) years. This portion of the expansion deposit may be applied to any work required to repair the expansion facilities within the two (2) year period. The two (2) year period begins:
 - (i) when the last forecasted connection in the expansion project materializes (for residential developments) or the last forecasted demand materializes (for commercial and industrial developments); or
 - (ii) at the end of the customer connection horizon of five (5) years:

which ever comes first. API shall return any remaining portion of this part of the expansion deposit at the end of the two (2) year warranty period.

2.1.3 CONNECTION DENIAL

API may deny connection to any Customer for any of the following reasons:

- (a) refusal by the Customer to sign any agreements required under these Conditions of Service;
- (b) the connection will represent a contravention of the laws of Canada or the Province of Ontario or of API's distribution licence;
- (c) the connection will have a material adverse effect on the reliability or the safety of the Distribution System;
- (d) the connection will cause a material decrease in the efficiency of the Distribution System;
- (e) the connections will have a material adverse effect on the quality of the distribution service received by an existing Customer. Such affect on quality could be among other things, voltage flicker, harmonics or power outages;
- (f) the connection will result in the discriminatory access to Distribution Services by other Customers;
- (g) the person requesting the connection is currently in arrears for Distribution Services, electricity supplies, or other invoices owed to API;
- (h) the connection is not in compliance with these Conditions of Service;
- (i) the connection does not meet API's design requirements;
- (j) the connection will impose unsafe conditions to workers or the public beyond the normal risks inherent in the operation of the Distribution System;
- (k) the connection will result in the inability of API to perform planned inspections or maintenance;
- (l) by order of the Electrical Safety Authority;
- (m) the Customer does not have the requisite approval of the Electrical Safety Authority for the connection;
- (n) the premises being connected are the subject of a stop work order under the Building Code Act ("Ontario");
or
- (o) the Customer is within another distributor's service area.

API shall notify the Customer of the connection denial with reasons in writing. Remedies will be suggested to the Customer, and where API is able after implementing such a remedy, API will make an offer to connect. If it is not possible for API to resolve the issue, it is the responsibility of the Customer to do so before a connection will be made.

2.1.4 INSPECTIONS BEFORE CONNECTIONS

API will not connect a Customer until the Customer has obtained and produces to API an approval of the Electrical Safety Authority for all Customer owned electrical facilities. All Customer owned facilities must also meet API design standards and requirements. Where these requirements for inspection are not complied with, the Customer is responsible for any and all damage to API's Distribution System and any associated costs incurred by API in order to address the Customer's non-compliance. The Customer's service shall be disconnected immediately until these inspection obligations are satisfied.

2.1.5 RELOCATION OF PLANT

To a mutually agreeable location where an easement already exists:

A Customer requesting plant relocation is required to pay API all associated costs incurred by API in relocating the plant.

To a mutually agreeable location where there is no easement:

In the absence of existing arrangements, API is not obligated to relocate the plant. However, API shall resolve the issue in a fair and reasonable manner. Resolution in a fair and reasonable manner shall include a response to the requesting party that explains the feasibility or infeasibility of the relocation and a fair and reasonable charge for relocation based on cost recovery principles.



2.1.6 EASEMENTS

Registered Easements and Owner Agreement

For new or modified connections, the Customer shall, at no cost to API, grant where required an easement to permit installation and maintenance with respect to API Facilities and Equipment located on the property of the Customer or the property of a third party. The width and extent of this easement shall be determined by API. The easement must be granted prior to energization of the service.

API requires registered easements for facilities under any of the following conditions:

- (a) any single or multi-phase line, underground or sub-marine cables, poles, anchors, or aerial occupation where the line crosses private property, including any Common Service Taps;
- (b) anchors on private property supporting sub-transmission lines, Three-Phase feeders, and any (single or multi-phase) structures supporting re-closers, voltage regulators or capacitor banks where the poles are located on road allowance;
- (c) any new plant being added to API facilities and equipment, which is the subject of an existing, unregistered easement that does not include replacement/maintenance of the existing API facilities and equipment.

Owner agreements are required for API facilities and equipment where API does not require registered easements.

2.1.7 CONTRACTS

Implied Contracts

In all cases, including in the absence of a written contract, API has an implied contract with any Customer that is connected to the API Distribution System and receives Distribution Services from API. The terms of the implied contract are embedded in these Conditions of Service (including the standard Connection Agreement), the Rate Handbook, API's Rates schedules, API's distribution license, the Standard Supply Service Code and the Retail Settlement Code, all as amended from time to time.

Any person or persons who take or use electricity delivered and/or supplied by API shall be liable for payment for such electricity. Any implied contract for the supply of electricity by API will be binding upon the heirs, administrators, executors, successors or legal assigns of the person or persons who took the electricity supplied by API.

The Customer hereby grants API, its successors and assigns, the unrestricted right, privilege and easement, free of charge or rent, to use so much of the service location and to enter on, in, upon, along and over the service location at any time as API may deem it necessary or desirable for purposes of performing any work and for its employees, servants, agents, contractors and subcontractors to pass and re-pass with or without vehicles, supplies, machinery and equipment, on, in upon, along and over the service location at any time to perform any work and for all purposes necessary or convenient to the exercise and enjoyment of the right, privilege and easement hereby granted.

2.1.8 CONNECTION AND COST RECOVERY AGREEMENTS

Where API is entitled under the Code to recover all or a portion of a connection or expansion, and/or that the Customer provides a revenue guarantee, API requires that the Customer execute a connection and a capital cost recovery agreement (the "CCRA") prior to API commencing any construction activities in respect of the connections and/or expansion. The CCRA will describe the work to be performed by API in respect of the connection or expansion and any other conditions set forth in API's offer to connect together with the applicable payment terms (including revenue guarantees and/or capital contribution where applicable).



2.1.9 CONNECTION AGREEMENTS

API requires all Embedded Generators, Embedded Distributors, Subtransmission Customers, large load Standard Customers, and Customers wishing to connect a sub-division or development to execute a Connection Agreement.

The Connection Agreement with an Embedded Generator who is not a Market Participant will also contain the terms under which API purchases power from that Embedded Generator.

Where an Embedded Generator, Embedded Distributor, Subtransmission Customer or large load Standard Customer is connected to API's Distribution System but has not executed a Connection Agreement, provision of Distribution Services to such customer by API shall imply acceptance of all the terms contained in the Connection Agreement as appended to the Code until such time as API and the customer execute a new Connection Agreement.

2.1.10 STANDARD CONTRACT

GENERAL AND RESIDENTIAL

The standard contract is attached hereto.

SPECIAL CONTRACTS

Special contracts that are customized in accordance with the service requested by the Customer normally include, but are not necessarily limited to, the following examples:

- (a) construction sites
- (b) mobile facilities
- (c) non-permanent structures
- (d) special occasions, etc.
- (e) generation, and
- (f) house move

2.2 DISCONNECTION

API shall not be liable for any damages or claims as a result of disconnection of service.

API reserves the right to disconnect a Customer's service, for causes such as:

- (a) Adverse effect on the reliability and safety of the API Distribution System;
- (b) Imposition of an unsafe worker situation beyond normal risks inherent in the operation of the API Distribution System;
- (c) A material decrease in the efficiency of API's Distribution System;
- (d) A materially adverse effect on the quality of distribution services received by an existing connection;
- (e) Inability of API to perform planned inspections and maintenance;
- (f) Failure of the Customer to comply with a directive of API that API makes for purposes of meeting its licence obligations; and
- (g) The Customer owes API money for distribution services, or for a security deposit. API shall give the Customer a reasonable opportunity to provide the security deposit consistent with the Code.

API will, where possible, provide the Customer with at least 7 days prior written notice before disconnecting or limiting the distribution of electricity to a Customer. Disconnection does not relieve the Customer, from having to pay API amounts payable by the Customer, including , electricity arrears. The Customer will be responsible for the distribution service charge and if applicable, the Standard Supply Service administrative fee until such time as API removes the API Facilities and Equipment associated with the distribution of electricity to the Customer.

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API may interrupt a Customer without notice in accordance with a court order, or for emergency, safety or system reliability reasons or in order to inspect, maintain, repair, alter, remove, replace or disconnect wires or other facilities used to distribute electricity or where there is energy diversion, fraud or abuse on the part of the Customer. Under no circumstances will API be liable for any damage resulting from, associated with or related to the disconnection or the limitation of consumption of electricity.

Should the Customer no longer require service at the property, or if the Facilities and Equipment require maintenance, API agrees to disconnect service on the date requested or within a reasonable amount of time, when authorized in writing by the Customer. API will determine at its sole discretion what is a reasonable amount of time, but will make efforts to disconnect on the date requested by the Customer.

The Customer hereby expressly authorizes and empowers API, at the Customer's option and expense, to remove the meters and other materials and appliances and cut off the supply of electricity, and terminate distribution service whenever bills for said service are in arrears (approximately one month past the due date for the billing for which charges were accrued), or upon violation by the Customer of any terms or conditions of these Conditions of Service or any contract, whether written or implied, between API and the Customer. The Customer acknowledges that a reconnection fee will be added to the Customer's outstanding bill for any reconnection due to nonpayment. API reserves the right to refuse to supply the Customer with electric service at any time and place until all monies owing by the Customer to API are paid in full.

2.2.1 RECONNECTION

Where a Customer wishes to be reconnected after a disconnection, API will reconnect as soon as possible according to crew availability and cannot guarantee same day. The Customer must first pay all arrears, a reconnection fee, linecrew total hours (actual costs) required for the disconnection and reconnection, and a security deposit. For safety reasons, the Customer must either be at the service site when API reconnects power or guarantee the main switch is open. If API attends the site to reconnect and finds the main switch is closed, a charge will be applied for additional trips. Where API reconnects a property in which a Customer is served by a retailer, API will promptly notify the retailer.

Under any of the following circumstances, API requires that the Customer obtain and provide to API an approval of the Electrical Safety Authority prior to API reconnecting the service:

- (a) where API has reason to believe that the wiring may have been damaged or altered;
- (b) where service was disconnected for modification of Customer wiring;
- (c) where service has been disconnected for a period of six months or longer;
- (d) where the service was disconnected as a result of an adverse effect on the reliability and safety of the Distribution System, or
- (e) where it is a requirement of the Ontario Electrical Safety Code.

A standard fee for reconnection is charged for the following applications:

- (a) public safety
- (b) emergency
- (c) service interruption – reconnects
- (d) upgrades and relocates of services (service layout application is required)

Other Customer requests will be billed according to the averaged cost of a reconnection.

2.2.2 DISCONNECTION AND RECONNECTION RELATED CHARGES

A collection charge shall apply in cases where it is necessary for API to make a trip to the Customer's premises to collect payment for an overdue account, disconnect service, install a load limiter, or reconnect service.



2.2.3 UNAUTHORIZED ENERGY USE

API reserves the right to disconnect the distribution of electricity to a Customer, without notice, for causes not limited to energy diversion, fraud or abuse on the part of the Customer. Such service shall not be reconnected until the Customer rectifies the condition to the satisfaction of API, acting reasonably, and provides full payment to API of all uncollected charges and costs incurred by API arising from unauthorized energy use, including inspections and repair costs, and the cost of disconnection and reconnection.

2.3 CONVEYANCE OF ELECTRICITY

2.3.1 LIMITATIONS ON THE GUARANTEE OF SUPPLY

The conditions under which the supply may be unreliable, intermittent, or interrupted are (without limitation):

- severe weather
- flood
- fire
- acts of animals
- sabotage
- civil disturbance
- lightning
- other forces of nature

API will endeavour to use reasonable diligence in providing a regular and uninterrupted supply of electricity, but does not guarantee a constant supply or the maintenance of unvaried voltage and will not be liable for damages to the Customer by reason of any failure in respect thereof.

API may interrupt supply to a Customer in response to emergencies, a shortage of supply, to effect repairs or to perform necessary maintenance on the Distribution System, or while repairs are being made to Customer-owned equipment. When the interruption is planned, reasonable attempts to notify affected Customers will occur.

Customers requiring a higher degree of security than that of normal supply are responsible to provide their own backup or standby facilities and/or pay all associated incremental costs. Customers may require special protective equipment, which is subject to the approval of API and ESA at their premises to minimize the effect of momentary power interruptions.

POWER OF ENTRY

In addition to API rights under Section 40 of the *Electricity Act, 1998*, API or its authorized agents may enter the Customer's property at any time for any of the following purposes:

- (a) to install, inspect, read, calibrate, maintain, repair, alter, remove, or replace a meter;
- (b) to inspect, maintain, repair, alter, remove, replace, or disconnect wires or other facilities used to transmit or distribute electricity;
- (c) to inspect, maintain, repair, alter, remove, and replace API Facilities and Equipment.

API will use reasonable efforts to exercise this power of entry during normal business hours. The API employee or authorized agent exercising this power of entry will identify themselves with proper identification upon request.

2.3.2 POWER QUALITY

CONDITIONS OF SERVICE



API shall follow Good Utility Practices in terms of its guidelines and standards where applicable but will not guarantee an unvaried voltage or frequency.

POWER QUALITY INQUIRIES

API maintains a 24-hour call-answer service for the purpose of receiving inquiries from Customers regarding power interruptions, power quality incidents, and incidents related to the integrity or safety of its Distribution System.

For Customer power quality inquiries other than interruptions, including substandard voltage conditions, or other power disturbances, the initial response time will vary depending on the nature of the complaint.

If, after an initial investigation, the power quality issue remains unresolved, and it is determined that further detailed engineering study is required, API shall advise the Customer of an intended course of action. If through an initial assessment, or subsequent detailed investigation, it is determined that the source of a power quality complaint is the Customer's own equipment, API may charge the Customer all of the cost of carrying out the investigation.

PLANNED INTERRUPTION

Although it is API's policy to minimize inconvenience to Customers, it is necessary to occasionally interrupt a Customer's supply to allow work on the electrical system. Customers will be provided with reasonable notice of planned power interruptions and, whenever practical, arrangements will be made to minimize any inconvenience to the Customer. Notice may not be given where work is of an emergency nature involving the possibility of injury to persons or damage to equipment.

Where there is a possibility that unsafe conditions may be created by a planned power interruption, or there would be significant financial loss, API may cooperate with the Customer to resolve that condition.

2.3.3 ELECTRICAL DISTURBANCES

There are levels of voltage fluctuation and other disturbances which can cause flickering lights and more serious difficulties for Customers connected to the API Distribution System. A Customer shall connect no electrical equipment which produces an undesirable system disturbance.

Examples of equipment which may cause disturbances are large motors, welders and variable speed drives. In planning the installation of such equipment, the Customer is required to consult with API. If the Customer connects such equipment without consulting with API, the Customer will be responsible for any and all damages and repair work associated with, and arising from the use of, such equipment.

If it is determined that unacceptable conditions are being caused by any Customer's equipment, the Customer shall take appropriate remedial action to correct the condition. Depending on the severity of the power quality, API may require that such equipment be disconnected from the Distribution System until corrective measures are taken.

API standards and guidelines for power quality are as described below:

Voltage and Current Harmonics

Large rectifiers, inverters, arc furnaces, static VAR systems and other non-linear loads generate harmonic voltages and currents. These harmonics may interfere with the operation of the power system by conductive interference and/or may interfere with communication systems by inductive interference.

API will follow Good Utility Practice for establishing limits on harmonic current emissions and voltage distortions. The Customer shall ensure that Customer owned equipment does not generate harmonic currents that exceed acceptable industry practices.



VOLTAGE FLUCTUATIONS AND FLICKER

Voltage fluctuations will normally be within the limits of the API voltage flicker curve as appended to these Conditions of Service, which is based on the General Electric borderline of irritability for incandescent lighting.

FREQUENCY FLUCTUATION

In general, the frequency of AC power of the API Distribution System is dictated by the supply frequency of the transmission system to which the Distribution System is connected.

OVER-VOLTAGES

In general, API will follow Good Utility Practice to minimize the magnitude and extent of short-term over-voltages.

VOLTAGE FLICKER LIMITS

Maximum permissible voltage flicker from sources such as motor starting or load cycling, resistance welders., is defined by the General Electric borderline of irritation curve. General Electric flicker limits are set out in Appendix A, attached hereto.

VOLTAGE UNBALANCED LIMITS

The Customer will be required to correct, at the Customer's expense, a phase unbalance in its load that causes an increase of more than 1% in the voltage unbalance of the system at the point of high voltage supply.

NEUTRAL-TO-EARTH VOLTAGE

In a properly functioning electrical Distribution System, some voltage will always exist between the system neutral and the earth ("NEV"). The level of NEV may change on a daily basis, depending on changes in electrical loading on the system, climatic conditions or other factors. The Distribution System is designed and maintained to result in less than 10 volts of NEV voltage. Typically, readings are much lower. A Customer can also experience NEV that is caused by the Customer's own electrical facilities, such as poor or faulty wiring, improper grounding, defective equipment or ground currents from telephone lines or pipelines. API provides up to 4 hours of NEV testing at the Customer's premise on Customer owned facilities without charge. An hourly charge is applicable for additional testing after the first 4 hours.

2.3.4 STANDARD VOLTAGE OFFERINGS

API will supply standard voltages only. These voltages will conform to Canadian Standards Association ("CSA") standards. The Customer will supply transformation for all other voltages required.

STANDARD SECONDARY VOLTAGES

- (a) Single Phase - 120/240 volt 3 wire;
- (b) Three Phase - 120/208 volt 4 wire or 347/600 volt 4 wire.

PRIMARY VOLTAGES

API has a variety of primary distribution and sub-transmission voltages across their service territory, but in general has only one primary voltage in each vicinity. API shall provide only the nominal primary voltage present in the vicinity to service a Connection or development, unless the development cannot be effectively fed from the existing supply. Customers requesting a primary or sub-transmission service should contact API to determine the primary voltage available at their location.

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While API can provide the above voltages, they are not always available from the portion of the Distribution System that the building lies along. The Customer must check with API to find out whether or not a particular voltage is available at any particular site. It may be necessary to expand or enhance the Distribution System in order to provide the requested voltage.

2.3.5 VOLTAGE GUIDELINES

API maintains service voltage at the Customer's service entrance within the guidelines of CSA, Standard CAN3-C235 that allows variations from nominal voltage of:

- (a) 5% for normal operating conditions.
- (b) 8% for extreme operating conditions.

Definitions of these conditions are as follows:

- (a) **Normal Operating Conditions.** Where voltages lie within the indicated limits under this heading no improvement or corrective actions is required. It is recognized that special situations may call for closer voltage control, but such cases are considered to be outside the application scope of this standard.
- (b) **Extreme Operating Conditions.** Where voltages lie outside the indicated limits for normal operating conditions but within the indicated limits for extreme operating conditions, improvement or corrective action should be taken on a planned and programmed basis but not necessarily on an emergency basis. Where voltages lie outside the indicated limits for extreme operating conditions, improvement or corrective action should be taken on an emergency basis. The urgency for such action will depend on many factors such as location and nature of load or circuit involved and the extent to which limits are exceeded with respect to voltage levels and duration, etc.
- (c) **Abnormal Operating Conditions.** API does not guarantee on its Three Phase supply systems three phase protection; therefore, Customers are responsible to provide protection for all equipment against one phase.

API shall practice reasonable diligence in maintaining voltage levels, but is not responsible for variations in voltage from external forces such as operating contingencies, exceptionally high loads and low voltage supply from the transmitter or API. API shall not be liable for any delay or failure in the performance of any of its obligations under this Condition of Service due to any events or causes beyond the reasonable control of API, including, without limitation, severe weather, flood, fire, lightning, other forces of nature, acts of animals, epidemic, quarantine, restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes ("Force Majeure").

Acceptable variations in voltages are set out in Appendix A, attached hereto.

2.3.6 BACK-UP GENERATORS

Customers with portable or permanently connected emergency generation capability shall comply with all the applicable criteria of the Ontario Electrical Safety Code and in particular, shall ensure that the Customer emergency generation does not back feed on the Distribution System.

Customers with permanently connected emergency generation equipment shall notify API regarding the presence of such equipment. The Customer shall be responsible for any and all damages to or repair work on API's Distribution System that is associated with the Customer's emergency generation equipment.



2.3.7 METERING

For Retail settlement and billing purposes, API shall provide, install, own and maintain a Meter Installation for all Customers except where the Customer or Embedded Distributor elects to be a Wholesale Market Participant or is an Embedded Generator connecting into the Distribution System. A Wholesale Market Participant Embedded Distributor or Embedded Generator shall obtain a written approval from API with respect to technical details of the meter installation.

The type of metering will be based on the Customer's rate class, energy consumption and peak load. The security and accuracy of metering will be maintained pursuant to all Regulations and standards established by Measurement Canada and API.

When a Customer's power factor is known to be less than 90%, a kVA meter, or other equivalent electronic meter shall be used for measuring and billing.

If deemed appropriate by API, the Customer shall permit API to connect a revenue meter through the Customer's telephone line for data transfer. API will make reasonable efforts to minimize the adverse impacts of the revenue meter connection on the Customer's use of the telephone line.

SINGLE PHASE – SECONDARY METERED

For a new secondary metered service, metering shall be based on estimated load. Standard Customers who are estimated to have an average monthly peak load under 50 kW shall be metered on kilowatt hours ("kWh") only. Standard Customers estimated to have an average monthly peak load over 50 kW shall be metered on monthly kW as well as kWh. For existing Standard Customers, metering shall be based on the actual average monthly peak load for the previous year. Standard Customers with an average monthly peak load, in the previous year of over 50 kW shall be metered and billed on monthly kW demand as well as kWh.

Demand is verified at a minimum of one time per annum.

THREE PHASE – SECONDARY METERED

For a new Three Phase-secondary metered service, metering shall be based on estimated load. Standard Customers who are estimated to have an average monthly peak load under 50 kW shall be metered on kilowatt hours ("kWh") only. Standard Customers estimated to have an average monthly peak load over 50 kW demand and/or monthly peak kVA depending on the peak load and power factor shall be metered on monthly kW/kVA as well as kWh.

For existing Three Phase Standard Customers, metering shall be based on the actual average monthly peak load for the previous year. Standard Customers with an average monthly peak load in the previous year of over 50 kW demand and/or monthly peak kVA depending on the peak load and power factor shall be metered on monthly kW/kVA as well as kWh.

Demand is verified at a minimum of one time per annum.

PRIMARY METERED

Where a Primary Metered Service is used, the Customer shall own and maintain the entire Distribution System beyond the metering point, which will include poles, conductors and transformers.



TOTALIZED METERING

When a Customer requests totalizing in order to consolidate two or more services or points of delivery at separate locations on one property, the following conditions shall apply:

- (a) The Customer shall own the distribution facilities, including transformation beyond the effective metering point. The effective metering point is defined as the location where primary metering is installed;
- (b) Totalizing will be accomplished by either primary or secondary metering, through the use of remote interrogation metering or other similar units;
- (c) The Customer shall be required to pay the incremental costs of providing totalizing metering.

CENTRAL METERING (CM)

API may, at its discretion, allow a Standard Customer with two or more buildings to be metered by means of a central metering service. The Standard Customer shall be required to pay API the following labour and material charges:

- (a) for new service – if the total labour and material is supplied and installed by API;
- (b) for new service – if the total labour and material is supplied and installed by a contractor;
- (c) for a service upgrade – if the total labour and material is supplied and installed by API;
- (d) for a service upgrade – if the total labour and material is supplied and installed by a contractor, and
- (e) should the work involve a relocation of existing CM equipment it will be treated as an individual work order on a cost recovery basis for all labour and material.

METERING PULSES

When a Customer requests metering pulses or signals for load management purposes, two options exist:

- (a) The Customer can provide its own instrument transformers and signal control equipment in a separate cabinet on the load side of API's metering; or
- (b) API will supply the pulses or signals on these terms:

The Customer will pay for all costs to provide pulses and signals. The control for pulse or signal will be brought to API terminal block remote from the revenue metering. Consequently, the Customer will not have access to API's metering equipment.

MULTIPLE RESIDENTIAL PROPERTIES

Where the owner of an existing bulk metered multiple Residential property chooses to convert to individual metered dwelling units, the costs of conversion will be the owner's responsibility. In such cases, the common facilities such as elevators, hall lights, exterior lighting, laundry equipment central electric water heating, etc., shall be combined on a separate service and billed at the General Service Rate with Demand Metering as appropriate.

As a requirement of the Ontario Electrical Safety Code, the Ontario Building Code, and API, the meter(s) will be located on the exterior of the building:

- (a) on the front side of the building facing the street or roadway on driveway side; or
- (b) on the side of the building, not more than 3 metres from the front facing the street within 3 metres of the driveway or roadway.

For metering installed on poles, the pole will be owned and installed by the Customer. Location must be within 3 metres of driveway.

2.3.7.1 GENERAL

API shall, at all reasonable hours, have the right to inspect, repair, replace and remove any part of the metering installation and have free access to the premises for that purpose.

For shopping centres, apartment and condominium buildings, or other large General Service class services, meters may be placed in dedicated metering rooms provided that keyed access is provided to API.

The location for API metering shall provide direct access for API staff and shall be subject to the Customer maintaining satisfactory environmental conditions, some of which include:

- safe and adequate working space in front of equipment, at the sole discretion of API
- unobstructed working space in front of the equipment, free from, or protected against, the adverse effects of moving machinery, vibration, dust, moisture or fumes.

2.3.7.2 METERING BOXES

Customers are responsible for supplying, owning, and maintaining meter bases, including Three Phase services with Complex Metering Installations where API requires a specific enclosure. For services requiring additional metering components such as instrument transformers, the Customer is required to supply and install the necessary enclosure which is to be approved by the Electrical Safety Authority and API.

Note: Metering boxes must be in accordance to API standards. It is important to discuss with a API representative, what is required, prior to purchasing.

2.3.7.3 INTERVAL METERING

CONDITIONS FOR SUPPLYING INTERVAL METERING

API shall provide and install a MIST meter for any existing Customer that has an average monthly peak demand greater than 1000 kW during a 12-month period.

API shall install a MIST meter on any new installation that is forecast by API to have an average monthly peak demand greater than 500 kW.

Customers who are below the average monthly peak demand of 1000 kW during a 12 month period threshold may request an interval meter by submitting a written request to API shall at its discretion determine whether a MIST meter or MOST meter will be installed. A Customer who does not qualify for an Interval Meter, as noted above, shall pay API for the difference between the cost of standard Meter Installation and the cost of the interval meter Installation, including but not limited to the cost of equipment, labour and telecommunications. Customers with interval meters will be billed monthly.

INTERVAL-METERING DATA

While the meter data belongs to the Customer, API requires the information to settle the Customer's electricity bill. API will maintain the usage profile of all Customers and shall make this information available to Customers provided that the Customer agrees to the access conditions contained at Appendix A attached hereto.

The Customer has the following two options to obtain interval meter data:

- (a) **Direct access by Customer** – The Customer may elect to access the MIST meter data directly using Customer purchased software. API will provide the information required to access and use the meter data;
- (b) **Information provided by API** – The Customer may request interval data to be forwarded by API or its authorized agent for a fee.



If a Customer requires real-time information from a MIST meter, the Customer shall be responsible for installing and maintaining a telecommunications line at its own expense, in accordance with API requirements.

2.3.7.4 METER READING

API shall, at all reasonable hours, have the right to read, inspect, repair, replace and remove any part of the metering installation and have free access to the Customer's premises for that purpose.

API will provide, install and maintain necessary revenue meter(s). The Customer must provide a meter location that is safe, convenient, accessible and approved by API. If said meter(s) are destroyed or damaged by any cause within the direct or indirect control of the Customer, other than ordinary wear and tear, the Customer shall pay to API the value of the meter(s) as determined by API or the cost of repair or replacement.

Requirements:

The Customer must adhere to the following requirements:

- (a) meters must be outside, within 3 metres of the driveway;
- (b) meters must be read by API at least one time per year;
- (c) if the meters are inside, or there is a locked gate on the driveway, locked box around the meter, or some other point locked between the meter and the API representative, the Customer shall provide a key to API. The key will be returned to the Customer when he/she moves;
- (d) dogs or other animals must be tied or confined where they cannot reach the meter or the path the API representative uses to reach the meter while a API representative is reading, repairing or replacing a meter;
- (e) driveways must be plowed in the winter;
- (f) the meter must not be blocked – including by ice or snow (i.e. meter must be accessible);
- (g) if an addition is built around an existing outside meter, the meter must be moved outside again;
- (h) if a building is raised, the meter must be lowered to the height required by Regulations.

In order to ensure accurate billing and proper operation, API needs to read and visually inspect the meter annually. In the event that API cannot access the meter for this purpose, API reserves the right to demand a relocation of the meter at the Customer's expense. If the situation is not rectified, API may ultimately disconnect the Customer.

2.3.7.5 FINAL METER READING

When a final meter reading is required for billing purposes, the Customer shall provide API with at least five business days notice of the date the billing is to be discontinued so that API can obtain a final meter reading as close as possible to the required date. API shall pay the cost of the final reading. The Customer shall provide access to API for this purpose. If access is not provided, and a final meter reading is not possible, the Customer shall pay a sum based on estimated electricity used since the last meter reading as determined by API in its sole discretion.

2.3.7.6 FAULTY REGISTRATION OF METERS

Metering electricity usage for the purpose of billing is governed by the federal Electricity and Gas Inspection Act and associated Regulations, under the jurisdiction of Measurement Canada, Industry Canada. API's revenue meters are required to comply with the accuracy specifications established by the Regulations under the above Act.

In the event of incorrect electricity usage registration, API will determine the correction factors based on the specific cause of the metering error and the Customer's electricity usage history. The Customer shall pay for all the energy supplied a reasonable sum based on the reading of any meter formerly or subsequently installed on the premises by API, due regard being given to any change in the characteristics of the installation and/or demand. If Measurement Canada, Industry Canada determines the Customer was overcharged, API will reimburse the Customer for the amount incorrectly billed.

CONDITIONS OF SERVICE



If the incorrect measurement is due to reasons other than the accuracy of the meter, such as incorrect meter connection, incorrect connection of auxiliary metering equipment, or incorrect meter multiplier used in the bill calculation, the billing correction will apply for the duration of the error. API will correct the bills for the period in accordance with Regulations under the Electricity and Gas Inspection Act.

2.3.7.7 METER DISPUTE TESTING

In a dispute between API and the Customer where the condition or registration of a meter or metering installation is in question and the issue can not be resolved between the Customer and API, assistance may be provided by Measurement Canada in dispute investigations. Either API or the Customer may request the help of Measurement Canada.

If the services of Measurement Canada are requested by the Customer or retailer to resolve the issue, API will charge the Customer for the costs of removing and transporting the meter to a testing location. If the dispute is substantiated by Measurement Canada and the resolution is in the favor of the Customer, the costs will not be recovered from the Customer.

Customers purchasing power in bulk (i.e. trailer parks) will be required to contact Measurement Canada themselves to arrange for testing.

2.4 TARIFFS AND CHARGES

To assign a Customer to the appropriate Rate classification, API considers the nature and use of the Customer's electricity service. The distribution service Rate for each classification is based on the cost of delivering electricity to that class of Customers and meeting their electricity supply needs.

The main rate classifications are Residential, Seasonal, General, and Street Lights. The Ontario Energy Board approves all Rates charged for each rate classification by API distribution services, including, charges for services provided to specific Customers where the costs are not recovered through the distribution service rates ("Miscellaneous Distribution Charges") and pass-through charges. In addition, API is required to pass through the Ontario Energy Board, approved charges for wholesale market services, retail, and transmission services.

API distribution service Rates include a monthly service charge component and a volume-based component. For a demand billed Customer, the volume Rate is a per kW charge. For an energy only Customer, the volume rate is per kWh charge. The monthly service charge component is designed to recover common costs of Distribution Services that are independent of electricity use. All other distribution service costs are recovered through the volume Rate.

The Ontario Energy Board approved rates and charges for distribution services are as set out in a schedule of rates available from API upon request. Notice of rate changes shall be mailed to all affected Customers with the first bills issued using the revised rates.

2.4.1 SERVICE CONNECTION

The rates established for providing the Customer with a connection to the Distribution System and all services provided by API are set out in a schedule of Rates available from API upon request. Notice of rate revisions may be published in major local newspapers. Information about changes will be mailed to all Customers.



2.4.2 ENERGY SUPPLY

STANDARD SUPPLY SERVICE

All existing API Customers are Standard Supply Service (SSS) Customers until API is informed of their switch to a competitive electricity supplier. The Service Transfer Request (STR) must be submitted by the Customer's authorized retailer or must be requested, in writing, by the Customer. The STR shall contain the information set out in Section 10.3 of the Retail Settlement Code.

There are no physical service connection differences between Standard Supply Service (SSS) Customers and 'third party retailers' Customers. Both Customer energy supplies are delivered through API with the same distribution requirements. Therefore, all service connection requirements applicable to the SSS Customers are applicable to third party retailers' Customers.

API may, at its discretion, refuse to process a service transfer request for a Customer to switch to a retailer if that Customer owes money to API for distribution services and/or Standard Supply Service.

Where a service transfer request is made, a "switch bill" will be issued to the Customer. This bill will be based on an actual meter read unless the Customer, API and retailer agree in writing to an alternative. The effective date of the service transfer shall be the next scheduled meter reading date unless a request is made for a special meter reading and API can accommodate the request. The Ontario Energy Board approved special meter read charge will apply.

All service transfers, except a return to Standard Supply Service, must be supported by the Customer's written authorization, a copy of which must be retained by the respective competitive retailer.

Price of Standard Supply Service

Pricing of Standard Supply Service is dependent on Customer's electricity usage and meter type as follows:

- (a) an Interval Metered Customer shall be billed for hourly electrical energy consumed based on the respective hourly Ontario electricity price (HOEP);
- (b) all other Customers will be billed for electrical energy based on the weighted average hourly spot market price (WAHSP) for electricity for the period over which the Customer is being billed. The weighting will be according to the hourly consumption of the Customers as estimated by API's Net System Load Shape (NSLS), or API streetlight-specific load shape in the case of streetlight Customers. The load shapes will be calculated according to the methodology prescribed in the Ontario Energy Board's Retail Settlement Code; and
- (c) the RPP.

COMPETITIVE RETAILER SUPPLIED ELECTRICITY

API does not provide Standard Supply Service to a Customer connected to the Distribution System that has contracted with a retailer for electricity supply and provided a copy of the STR to API. API remains obligated to provide distribution services to such Customer who will either be billed by API under distributor consolidated billing, or by their designated retailer under retailer consolidated billing as prescribed in the Ontario Energy Board's Retail Settlement Code.

WHEELING OF ENERGY

Customers considering delivery of electricity through the API Distribution System shall contact API for technical requirements and applicable Rates.



2.4.3 DEPOSITS

BACKGROUND

API is a licensed distributor and is regulated by the Ontario Energy Board (OEB). In addition to charging approved distribution rates, API must, in accordance with regulation, purchase and pass through charges from the Independent Electricity System Operator (IESO). In order to manage the non-payment risk costs, API, as permitted by law, assesses, charges, and manages deposits to new and existing Customers.

API will not discriminate against Customers with similar risk profiles when assessing security deposits, except where expressly permitted in the Code.

TYPES AND FORMS

The form of payment of a security deposit for a API Customer shall be money order or cheque, or an automatically renewing, irrevocable letter of credit from a bank as defined in the *Bank Act, 1991, c.46* at the discretion of the Customer. API, at its discretion, may also accept other forms of security, such as surety bonds and third party guarantees. API shall permit the Customer to provide a security deposit in equal installments paid over at least four months. A Customer may, at its discretion, choose to pay the security deposit over a shorter time period.

If a security deposit is to be paid on behalf of the Customer by a third party, both the third party and the Customer must complete the Third Party Form attached hereto.

REQUIREMENT TO PAY

API requires all deposits for new Customers to be paid in full prior to connection of the services, or at least twenty-five percent (25%) of the deposit when paid through installments. Should a deposit remain unpaid, the normal collection process outlined in API's Conditions of Service Manual will proceed. Unpaid amounts may result in service interruption and/or disconnection for non-payment. API's Service Interruption Policy fully describes timelines and processes following up to and including service interruption. The previously mentioned documents can be found at www.algomapower.com or at API's office located at 2 Sackville Road, Sault Ste. Marie, Ontario.

MAXIMUM DEPOSIT AND CALCULATION

The maximum amount of a security deposit, which API will require a Standard Customer to pay, shall be calculated in the following manner:

$$\text{Billing Cycle Factor} \times \text{Estimated Bill}$$



ESTIMATED BILL CALCULATION

The estimated bill will be based on the location’s average billing amount with the distributor, during the most recent 12 consecutive months, within the past two years. Where relevant usage information is not available for the location for 12 consecutive months, within the past two years, or where API does not have the past information for making the above calculation, the Standard Customer’s average billing amount shall be based on a reasonable estimate made by API. Where a Standard Customer has a payment history which discloses more than one disconnection notice in a relevant 12 month period, API will use that Standard Customer’s highest actual or estimated billing amount for the most recent 12 consecutive months, within the past two years, for the purposes of making the calculation of the maximum amount of security deposit.

Billing Cycle Factors	
Monthly Cycle Billing	2.5
Bi-Monthly Cycle Billing	1.75
Quarterly Cycle Billing	1.5
Annual Cycle Billing	1.125

Standard Customers may not deduct the amount of the deposit from their power bills; deposits are not prepayment for power billing.

ALLOWABLE DEPOSIT REDUCTIONS

Deposit requirements may be waived if the Standard Customer has a good payment history of one (1) year, in the case of a residential or seasonal customer, five (5) years in the case of a non-residential customer in a <50 kW demand rate class, or seven (7) years in the case GS>50 kW, Large User B rate classes. The time period that makes up the good payment history must be the most recent period of time and some of the time period must have occurred in the previous 24 months.

For greater certainty, the following Standard Customers shall be deemed to be residential customers for the purposes of these security deposit provisions:

- (a) seasonal customers;
- (b) farms with a dwelling that is occupied at least eight (8) months per year where the customer has a <50 kW demand; and
- (c) a multi-unit residential condominium that is comprised of units predominantly used for residential purposes, relates to more than one unit in the property and has filed with API a declaration in a form approved by the Board attesting to the customer’s status as a corporation within the meaning of the *Condominium Act, 1998*.

For newly connected customers, or customers with no established API payment history; API will accept a letter from another distributor or gas distributor confirming the period of time the customer has had a good payment history as described below.

A customer is deemed to have a good payment history unless, during the relevant time period set out in the first paragraph of this section, the customer has received more than one disconnection notice from the distributor, more than one cheque given to the distributor by the customer has been returned for insufficient funds, more than one pre-authorized payment to the distributor has been returned for insufficient funds, or a disconnect / collect trip has occurred. If any of the preceding events occur due to an error by API, the customer’s good payment history shall not be affected.

Where a GS >50 kW or Large User B customer rate class has a credit rating from a recognized credit rating agency (provided by the customer), the maximum amount of a security deposit which the distributor may require the non-residential customer to pay shall be reduced in accordance with the following table:



Credit Rating <i>(Using Standard and Poor's Rating Terminology)</i>	Allowable Reduction in Security Deposit
AAA- and above or equivalent	100%
AA-, AA, AA+ or equivalent	95%
A-, From A, A+ to below AA or equivalent	85%
BBB-, From BBB, BBB+ to below A or equivalent	75%
Below BBB- or equivalent	0%

API may at its own discretion reduce the amount of security deposit required for any reason.

DEPOSIT INTEREST RATES, CALCULATION AND PAYMENT

Interest shall accrue monthly on security deposits made by way of cheque commencing on receipt of the total deposit required by API. The interest rate shall be at the prime Business Rate as published on the Bank of Canada website less 2 percent, updated quarterly. The interest accrued shall be paid out at least once every 12 months or on return or application of the security deposit or closure of the account, whichever comes first, and will be paid by crediting the account of the customer or otherwise as instructed by the customer.

In the case of payment by a third party, interest will be paid by API directly to the third party.

DEPOSIT REVIEW PROCESS

API will review every customer's security deposit at least once in a calendar year. This will determine a) whether the entire amount of the security deposit is to be returned to the customer, if the customer has progressed to a position that it would be exempt from paying a security deposit, or b) whether the amount of the security deposit is to be adjusted based on a re-calculation of the maximum amount of the security deposit. Where API determines, during the process of conducting a deposit review, that the maximum amount of the security deposit is to be adjusted upward, API may require the customer to pay this additional amount at the same time as that customer's next regular bill comes due.

A customer may, no earlier than 12 months after the payment of a security deposit or the making of a prior demand for a review, demand in writing that API undertake a review to determine a) whether the entire amount of the security deposit is to be returned to the customer, as the customer is now in a position where he/she would be exempt from paying a security deposit, b) whether the amount of the security deposit is to be adjusted based on a re-calculation of the maximum amount of the security deposit.

DEPOSIT REFUNDS

Where API determines in conducting a deposit review that some or all of the security deposit is to be returned to the customer, API shall promptly return this amount to the customer by crediting the customer's account or otherwise. In the case of a customer in a >5000 kW demand rate class, where the customer is now in a position that it would be exempt from paying a security deposit had it not already paid a security deposit, API is only required to return 50% of the security deposit held by API. API shall promptly return any security deposit received from the customer upon closure of the customer's account, subject to API's right to use the security deposit to offset other amounts owing by the customer to the distributor. The security deposit shall be returned within six weeks of the closure of an account.

Customers who are signed up with a retailer that bills retailer consolidated, the deposit will be applied against the final bill with any additional amount returned to the customer.

Customers who are signed up with a retailer with the split-billing option; the deposit will be adjusted to the highest distribution charge and noncompetitive bill amount of the last year.



2.4.3.1 DEPOSITS FOR SERVICE AND WORK ORDERS

DEPOSITS REQUIRED

Where work, other than connection and expansion work, is to be completed for a Customer on work orders for which they will be required to pay an amount exceeding \$200.00 for all or part of the cost of work, Customers must pay deposits in advance of the work being performed.

AMOUNT

The amount of deposit is the full estimate of the cost of the work as made by API's Customer Service Department. The amount billable to the Customer for work performed may be adjusted to reflect actual costs, less the deposit paid, after the work is complete.

2.4.4 BILLING

In this section 2.4.4, references to monthly, bi-monthly, or annually, are notional and approximate time periods only. They are not to be construed as calendar-based time periods.

In preparing billing for Standard Supply Service, API includes in its billing a number of charges mandated by third parties, such as:

- Independent Electricity System Operator;
- Transmission connection and network charges;
- Provincial Government's debt retirement charge and wholesale market service charge; and
- Retailers under distributor consolidated billing.

API facilitates the operation of the electrical energy market by billing and collecting these amounts on behalf of these third parties. These charges may change from time to time.

BILLING FREQUENCY

Depending on rate classification and service size, Customers are billed on the following frequencies:

➤ Residential	bimonthly
➤ Seasonal	annually
➤ General <50kW	bimonthly
➤ General >50kW	monthly
➤ General – Large Use	monthly

METER READ FREQUENCY

API reads meters on a monthly, bimonthly, or annual frequency, as described above, depending on rate classification and service size. Where API is unable to obtain a meter reading, for any reason, the Customer may be requested to provide a meter reading.



USE OF ESTIMATES

In months where a bill is issued, but no reading is obtained, API estimates usage in order to determine billing quantities. The estimate is based on historical usage for the premise, or a pre-determined quantity if there is no historical usage information available.

2.4.5 PAYMENTS AND OVERDUE ACCOUNT INTEREST CHARGES

PAYMENT OPTIONS

Customers may pay their electricity bills using any of the following methods: cheque or money order in person, in a API drop box; mailed with the remittance stub portion of the bill to API address on the stub; through automated banking machines, telephone banking or internet bill payment services as offered through their financial institution. All payments should be in Canadian dollars cheque or money order. Payments of cash, cheque or money orders (Canadian dollars) may be paid in person at most Canadian financial institutions and at API authorized agents.

As a courtesy to our Customers, API will make best effort to refrain from processing post-dated cheques until the post-date. However, if a post-dated cheque is processed, API assumes no responsibility for any related charges or damages, including but not limited to non-sufficient fund charges to the Customer.

API offers pre-authorized payment option.

An equal billing plan is available to all Standard Supply Service Customers except general service customers. To reduce volatility in electricity costs over the year, the plan bills an equal portion of the previous year's charges per bill period, then reconciles the balance owing, in the anniversary month. Adjustments may be made to the regular equal bill amount due to Rate or usage changes.

LATE PAYMENT CHARGES

Customers are given a minimum of 16 days from the billing date on their billing statement to make payment to API. A late payment charge may be charged on overdue accounts whether the bill is based on a meter reading or by API's estimate where meter reading has not occurred. The Ontario Energy Board approved late payment charge will be applied to overdue accounts. Where a partial payment has been made on or before the due date, the late payment charge will apply only to the amount of the bill outstanding at the due date.

2.5 CUSTOMER INFORMATION

API shall not disclose specific information about a Customer unless that particular Customer has authorized the release of information in writing or unless necessary for compliance with the Independent Electricity System Operator's Market Rules, any Ontario Energy Board approved Code or Standard, or any law or court order. API shall not disclose Customer information to a third party without the consent of the Customer in writing, except where the Customer information is required to be disclosed, as follows:

- (a) for billing or market operation purposes;
- (b) for law enforcement purposes;
- (c) for the purpose of complying with a legal requirement; or
- (d) for the processing of past due accounts.

Customers have the obligation to provide API with information that is true, complete, and correct. The information is used to provide customer service, deliver and/or supply energy, manage Customer accounts and assess credit history regarding the need for account security. API may verify the accuracy of all information provided and may obtain additional credit information from a credit-reporting agency as required.



2.5.1 PROVISION OF CURRENT USAGE DATA TO CUSTOMERS

Customers with cumulative volume and Demand Meters shall receive their current usage data on their electricity bill from API.

API will provide access to a Customer's meter or meter information under the following conditions:

- a) API will select the access windows it requires to read the meter;
- b) if API's access to the meter is hindered or a Customer's access to the meter corrupts usage information, API may suspend a Customer's right to access until any outstanding problems are resolved;
- c) a Customer shall pay the reasonable cost of any software, hardware or other services required for a Customer to obtain direct access to meter information - this may include installation of a secondary meter access system;
- d) a Customer shall bear any cost incurred by API to correct problems caused by a Customer's direct access to the meter;
- e) if a Customer assigns his or her right to direct meter access to a retailer or third party, the Customer shall be responsible for the actions of the assigned party.

API will provide a Customer with 24 billing periods, where available, of historical usage information, information about their meter configuration, and payment information ("historical information"). The historical information can be released to the Customer or any third party designated by the Customer provided that if the third party is:

- (a) a retailer, the Customer has provided written authorization to API for the release; or
- (b) someone other than a retailer and the Customer has provided API with written authorization for the release.

API will honour requests from retailers for historical data delivered electronically through the electronic business transaction ("EBT") system at no charge. API will honour requests from Customers and retailers for historical data not delivered through the EBT system twice a year for any one account at no charge. API, at its discretion, may charge a fee for any additional requests for the same account in one year.

3.0 CUSTOMER CLASS SPECIFIC

At API's discretion, Customers may be required to demonstrate that a reclassification of their account is warranted. This could require a period of up to one year and the reclassification would only be effective at the end of this period.

The Customer, regardless of class, will provide unimpeded and safe access to API at all times for the purpose of installing, removing, inspecting, reading, operating or changing metering equipment.

All Customer owned electrical equipment must be inspected and approved in accordance with ESA requirements as well as API design requirements.

3.1 RESIDENTIAL

All service supplied to single-family dwelling units for domestic or household purposes shall be classified as Residential Service. Residential services are for personal use.

Multi-unit residential establishments such as apartment buildings supplied through one service (bulk-metered) normally shall be classified as general service. Multi-unit residential units registered under the Condominium Act, 1998 shall be considered residential for the purposes of security deposit provisions in these Conditions of Service.

CONDITIONS OF SERVICE



Where electricity service is provided to combined residential and business, (including agricultural usage), and the wiring does not provide for separate metering, the classification shall be at the discretion of API and should be based on such considerations as the estimated predominant consumption.

3.1.2 SEASONAL (Intermittently-Occupied)

All services supplied to single-family dwelling units for domestic purposes and are seasonal/intermittently-occupied shall be classified as Seasonal Service. A Seasonal service could be anything from a service on a pole to a ski chalet, or a modern house being used as a cottage.

3.2 GENERAL SERVICE (Less Than 50 kW)

All service supplied to premises other than those classified as residential, seasonal, street lighting, safety maintenance, intermediate or large use shall be classified as General Service. Generally, it is composed of commercial, industrial, educational, administrative, auxiliary and government type services. General service may also include combination type services where a variety of uses are made of the service by the owner of one property, and all multiple services.

3.3 GENERAL SERVICE (Greater Than 50 kW)

Same as Section 3.2 – General Service.

3.4 GENERAL SERVICE – LARGE USE

Same as Section 3.2 – General Service.

API has large use customers within its distribution service area. These users have specific Rates as specified in API's approved rate order.

3.5 EMBEDDED GENERATION CONNECTION

See business with Embedded Generators as specifically laid out in Code Appendix E & F.

All Embedded Generators shall execute a Connection Agreement with API. Further to the provisions of these Conditions of Service, an Embedded Generator who has not signed a Connection Agreement with API shall be deemed to have an implied contract with API in the form of the Connection Agreement attached hereto.

API shall not allow Embedded Generator connections directly to the Distribution System in a manner that may adversely impact power quality, reliability, or the safety of personnel or Customers.

When the connection of the Embedded Generator will not materially adversely impact the safety of the API's Customers or personnel or the reliability of the Distribution System, API may at its sole discretion consider the connection of the Generator facility. The Embedded Generator shall be responsible for all costs associated with API performing studies and developing plans for risk mitigation that are to the satisfaction of API.

3.5.1 CONNECTION OF MICRO-EMBEDDED GENERATION FACILITIES

A person who wishes to connect a micro-embedded generation facility to the API Distribution System shall submit an application to API providing the following information:

- a. the name-plate rated capacity of each unit of the proposed generation facility and the total name-plate rated capacity of the proposed generation facility at the connection point;



- b. the fuel type of the proposed generation facility;
- c. the type of technology to be used; and
- d. the location of the proposed generation facility including address and account where available.

3.5.2 GENERAL TECHNICAL INFORMATION REQUIREMENTS

All Embedded Generators shall ensure that designs meet the technical requirements as specified in the DSC Appendix F.2. All Embedded Generators shall provide API with the following documentation to ensure that the Distribution System is adequately protected from potential damage or increased operation costs resulting from the connection of the Embedded Generation Facility:

- (a) electrical submissions signed and stamped by a licensed professional engineer, detailed single line and three line diagrams showing all electrical devices associated with the Embedded Generation Facility such as Generators, isolating devices, breakers, protection relays, inverter systems, instrument transformers, lightning arrestors, fuses and metering;
- (b) evidence of approval of the Electrical Safety Authority for all the Embedded Generator's owned electrical facilities;
- (c) a copy of the report of the most recent re-verification of protections signed and stamped by a licensed professional engineer, and
- (d) any other documentation reasonable related to API obligations.

3.5.3 INTERFACE PROTECTION AND ISOLATING DEVICES

The Embedded Generator shall provide an interface protection that minimizes the frequency and severity of disturbances on the Distribution System and the impact on other Customers. The embedded generation facilities must also meet the technical requirements as identified in the connection agreement. The interface protection shall be capable of automatically isolating the Generator(s) from the Distribution System in the following situations:

- (a) internal faults within the embedded generation facility;
- (b) external faults in the Distribution System; and
- (c) abnormal system conditions, including, but not limited to open phase and islanding, over/under voltage and over/under frequency, and motoring.

The Embedded Generator shall provide, install and maintain a disconnecting device at the connection point with the Distribution System for the purpose of isolating the embedded generation facility in case of emergency and for work protection. The disconnecting device shall:

- (a) be located at or near the demarcation point of connection of the embedded generation facility to the Distribution System, and
- (b) be readily accessible;
- (c) provide a visible indication of the open main current-carrying path that isolates the embedded generation facility from the Distribution System;
- (d) have a three-pole gang operated switch mechanism suitable for load break operations at rated load (subject to API's prior written approval);
- (e) single-phase Customers may use single pole switches or openers;
- (f) meet Ontario Electrical Safety Code requirements;
- (g) will prevent back-feed in the event of an outage on the Distribution System;
- (h) be rated for maximum fault current available at that location on the Distribution System;
- (i) be lockable in the open position;
- (j) be suitable for safe operation under the conditions of use; and
- (k) have an interlock.



These devices must be operated at least once a year, unless specified otherwise in the connection agreement, and the verification report of the operation of the devices shall be retained by the Embedded Generator and shall be provided to API upon request.

3.5.4 METERING FOR EMBEDDED GENERATION FACILITIES

METERING INSTALLATIONS

The metering shall be installed at the demarcation point of connection of the embedded generation facility to the Distribution System. The point of demarcation for an embedded generation facility is the primary live line clamp or lines switch that is installed on or at API's distribution line. If this is not practical, API shall apply loss factors to the generation output in accordance with the loss factors applied for retail settlements and billing.

The Embedded Generator shall install metering in accordance with the Code and API's standard metering requirements. The Embedded Generator shall provide API with the technical details of the Meter Installation.

An Embedded Generator shall be responsible for the cost of the meter, the installation, and maintenance of an approved meter (using a Registered Meter Service Provider) in accordance with the Code. API will procure and install the appropriate meter.

Embedded generation facilities that receive energy (e.g. for station use or back-up supply) shall be placed in the appropriate Rate class and billed for the energy consumed.

As a way to encourage conservation, API has established a net metering policy for eligible customers wishing to participate in the net metering program. Eligible customers with specific generation facilities may reduce their net energy costs by exporting surplus generated energy back onto the API distribution system for credit against the energy the Customer consumes from the distribution system.

Participation in the net metering program is available to all API Customers with a generator that meet all of the following conditions:

1. The electricity is generated primarily for the customer's own use;
2. The electricity generated is conveyed to the customer's own consumption point without reliance on the API Distribution System;
3. The maximum cumulative output capacity of the generator does not exceed 500 kW; and
4. The electricity is solely generated from a renewable energy source (such as wind, drop in water elevation, solar radiation, agricultural bio-mass, or any combination thereof).

In order to participate in the net metering program, the Customer will be required to meet all the parallel generation requirements for Connecting Micro-Generation Facilities (10 kW or less) or Other Generation Facilities (greater than 10 kW and less than 500 kW), as applicable to the generator size, as found in Section 3.5 of these Conditions of Service.

The customer must have a bi-directional revenue meter that records energy flow in both directions.

In accordance with the Net Metering Regulation, API has established a net metering program regarding the netting of surplus generated energy with energy consumed from the API supply. Information about this program, as it is amended from time to time, may be obtained from API customer service.

EMBEDDED GENERATION FACILITIES THAT DO NOT DELIVER POWER TO THE DISTRIBUTION SYSTEM

CONDITIONS OF SERVICE



If the Embedded Generator does not require a generation license from the Ontario Energy Board, API shall meter the embedded generation facility in the same manner as it meters Standard Customers. Notwithstanding the foregoing, the Embedded Generator shall pay all incremental costs associated with such metering. The meters for such installations shall be one directional meters. If this requirement is revised based on future changes to Regulations, the customer shall pay to replace such meters.

3.5.5 TRANSFORMERS

Any step-up transformation equipment required to step-up the embedded generation facility's output voltage to the primary voltage of API's distribution line shall be supplied, installed, owned and maintained by the Embedded Generator.

For Customers connected to the Distribution System that wish to install an embedded generation facility with a total installed generation capacity of less than 10 kW, API may, at its sole discretion, permit the embedded generation facility to be connected through API's existing transformer. In such cases, the Embedded Generator shall be responsible for any and all damage to the API facilities and equipment caused by the operation of the embedded generation facility.

3.5.6 MAINTENANCE SCHEDULES

The Embedded Generator must implement and adhere to a regular scheduled maintenance plan to assure both API and the Embedded Generator that the connection devices, protection and control systems are maintained in good working order. The provisions of said maintenance plan are to be listed in the connection agreement. The Embedded Generator must conduct a re-verification at least every 48 months (or as specified in the connection agreement) and provide a written report to API signed by a professional licensed engineer.

API, in its sole discretion, may request to witness the re-verification of any protections that could adversely impact the Distribution System. The Embedded Generator shall pay for the re-verification and provide API a copy of the report giving the results of the re-verification of the protections.

3.5.7 REPORTING REQUIREMENTS

All Embedded Generators over 100 kVA shall report any "significant event" to API within 5 business days. The connection agreement may include a list of events deemed significant and provide a standard report format.

The Embedded Generator shall keep a written log of the operation of its protections that result in the tripping of its interrupting devices. On request, the Embedded Generator must provide a copy of the log to API. The log shall contain, at a minimum, the following information:

- (a) the date and time of event/operation of protections;
- (b) which relay or protection feature of the relay initiated trip; and
- (c) conditions and unit output at the time of the trip that may be related to the operation (e.g. lightning, outage of feeder, etc.).

3.5.8 CAPITAL CONTRIBUTION

When API is required to add new API facilities or equipment, alter existing API facilities or equipment, or increase the capacity of the Distribution System to connect a new embedded generation facility (an "expansion"), API will perform an economic evaluation to determine the Embedded Generator's capital contribution for the equipment, labour and ongoing maintenance costs of the expansion (the "Expansion costs"). API will use the discounted cash flow model and assume that future revenue will be zero.

3.5.9 COMPLIANCE

CONDITIONS OF SERVICE



All equipment of Embedded Generators connected, operating or procured before July 14, 2000 is deemed to be in compliance with API performance requirements except for the requirements of the Electrical Safety Authority and the isolating device requirements identified in section 3.5.2 herein.

API may require that the equipment deemed compliant to be brought into actual compliance with API's performance requirements within a time-frame established by API but not to exceed 12 months; where, at API's sole opinion, there is:

- (a) a material deterioration of the Distribution System reliability resulting from the performance of the Embedded Generator's equipment; or
- (b) a material negative impact on the power quality of an existing or a new Customer resulting from the performance of the equipment at the embedded generation facility; or
- (c) a material increase in generating capacity at the site where the equipment deemed compliant is located.

3.5.10 DISCONNECTION OF EMBEDDED GENERATOR FACILITY

API has the right to disconnect an embedded generation facility from the Distribution System where, in the sole opinion of API, any of the following conditions, exist:

- (a) there is a material deterioration of Distribution System reliability resulting from the performance of the Embedded Generator's equipment;
- (b) there is a material negative impact on the quality of power of an existing or a new Customer resulting from the performance of the equipment at the embedded generation facility;
- (c) the Embedded Generator has failed to re-verify the protection and control systems report within 30 days; or
- (d) the Embedded Generator's report of the re-verification of the protection and control system shows unacceptable deficiencies.

3.5.11 ONTARIO POWER AUTHORITY STANDARD OFFER PROGRAM FOR AN EMBEDDED GENERATION FACILITY

In conjunction with the OPA Standard Offer Program (SOP), API has established its policy to promote greater use of renewable energy sources such as wind, solar, photovoltaic (PV), renewable biomass, biogas, bio-fuel, landfill gas, or drop in water elevation for generating electricity.

Renewable energy electricity generation projects with a capacity of 10 MW or less that meets the program's requirements may be connected to API Distribution System in order to export electricity.

In most circumstances, generating facilities participating in the Standard Offer Program will connect directly to the API Distribution System at a voltage of 25 kV or less. Output from the generating facility shall be metered as follows:

- (a) for generators of 10 kW or less and connected to the line side of the load meter, a bi-directional kWh meter must be installed to measure energy consumed and energy exported; and
- (b) for all other generators, an interval meter must be installed.

The Embedded Generator will be solely responsible for any costs associated with the connection to the API distribution system and any required metering installation.

API's policy for the OPA Standard Offer Program, as it is amended from time to time, can be obtained from API customer service.

3.6 EMBEDDED MARKET PARTICIPANT

CONDITIONS OF SERVICE



An “embedded market participant” is a Customer who is registered as a market participant with the IESO and whose facility is not directly connected to the IESO controlled grid but is connected to the Distribution System. All embedded market participants within the service jurisdiction of API, once approved by the IESO are required to inform API of their approved status in writing 60 days prior to their participation in the IESO administered market.

A connection agreement will be required between an embedded market participant and API, which will also include an operating schedule.

An embedded market participant will be responsible for the ownership, installation and maintenance of the meter and contracting the services of a registered meter service provider. Responsibility for an existing Meter Installation will transfer from API to the embedded market participant on the meter seal expiry date.

3.7 EMBEDDED DISTRIBUTOR

All Embedded Distributors shall have a Connection Agreement.

The amount of account security that an Embedded Distributor will be required to provide API will be an amount to cover API’s exposure and will be based on billing frequency and payment cycle period.

The account security provided by the Embedded Distributor will be an irrevocable letter of credit, deposit, or a combination thereof. If the Embedded Distributor provides account security in the form of a deposit, API shall pay the Embedded Distributor interest calculated annually on the deposit. The annual rate of interest will be as prescribed by the OEB.

In the event the Embedded Distributor does not pay a bill when payment is due, API shall have the right to access the funds available through the relevant security arrangements, commencing five business days after the date the payment was due.

The Embedded Distributor shall replenish security that has been accessed by API no later than one business day following receipt of written notice from API.

API may update the amount of required security at least every three months or more frequently if loads warrant more frequent assessments.

The following terms and conditions apply to the connection of an embedded Distributor:

- API shall make every reasonable effort to respond to another distributor’s request for connection.
- API shall provide an initial consultation with another distributor regarding the connection process within thirty (30) days of receiving a written request for connection.
- A final Offer to Connect the Embedded Distributor to API’s distribution system shall be made within ninety (90) days of receiving the written request for connection, unless the necessary information outside of API’s control is required before an Offer can be made.

3.7.1 CONNECTION REQUEST

An Embedded Distributor shall submit its request to API, summarizing in writing the required initial and ultimate load requirements, the required in service date and any other specific requirements.

API will carry out an initial consultation and determine the scope and estimated cost of preparing a System Impact Study. API will respond within thirty (30) days of receiving the embedded distributor’s request.

3.7.2 COSTS

CONDITIONS OF SERVICE



Once the request for connection has been approved, and upon receipt of a purchase order or equivalent from the Embedded Distributor, API shall prepare detailed engineering specifications for required system enhancements, obtain cost estimates for the specified work, and determine cost-sharing arrangements.

Within ninety (90) days of receiving the connection application and the accompanying material set out in section 3.7.1 above, API will provide the Customer, in writing, a project description and letter of intent that include:

1. a description of the work to be performed by API;
2. a summary of the work to be performed by the Customer;
3. API's capital investment in the project; and
4. the Customer's financial contribution to the project.

If, despite API's best efforts, the ninety (90) day target cannot be met, API will notify the Embedded Distributor in writing and provide a new target completion date.

3.7.3 ENERGY SUPPLY

As the host distributor, API reserves the right to limit the amount of energy that it agrees to supply the Embedded Distributor at each embedded connection/delivery point, and this amount shall be agreed upon by both Parties. The Embedded Distributor shall notify and include API in any discussion, planning and interconnection design of any proposed embedded generation facility that the Embedded Distributor proposes to connect to its distribution system.

3.8 UNMETERED CONNECTIONS

There are instances where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. API reserves the right to review all cases and may request a meter installed at its sole discretion.

Services that can be connected un-metered include, but are not limited to street lights, cable TV amplifiers, telephone switching devices, phone booths, bus shelters, railway crossing signals, traffic signals, or other small fixed loads. The method of billing will be based on estimated usage, which the Standard Customer will supply to API.

All un-metered connections fall under the Street Lighting or Safety/Maintenance Classifications.

3.8.1 STREET LIGHTING

The energy consumption for streetlights is estimated based on API's profile for street lighting load, which provides the amount of time each month that the streetlights are operating. The energy charge is based on installed work.

API must approve the location of new lighting installations on its line poles prior to any work being completed and the streetlight owner shall enter into an agreement to use such poles. API will make the electrical service connection of all streetlights to the Distribution System. A formal streetlight agreement must be executed between API and the street light tenant prior to installation.

From time to time API will request information of street light owners to confirm consumption accuracy.

4.0 GLOSSARY OF TERMS

“Act” means the *Ontario Energy Board Act*, S.O. 1998, C.15, Schedule B;

“Affiliate Relationships Code” means the Code, approved by the Ontario Energy Board and in effect at the relevant time, which among other things establishes the standards and conditions for the interaction between electricity distributors and transmitters and their respective affiliated companies;

“Applicable Laws” means any and all applicable laws, including environmental laws, statutes, codes, licensing requirements, treaties, directives, rules, regulations, protocols, policies, by-laws, orders, injunctions, rulings, awards, judgements, or decree or any requirements or decision or agreement with or by any governmental department, commission, board, court authority or agency;

“Building that Lies Along” means a Customer property or parcel of land that is directly adjacent to or abuts onto the public road allowance or easement where API has API facilities and equipment of the appropriate voltage and capacity;

“Code” means the Distribution System Code, approved by the Ontario Energy Board in effect at the relevant time;

“Common Service Tap” means that portion of a distribution line on private property that supply up to two Standard Customers;

“Complex Metering Installation” means a metering installation where instrument transformers, test blocks, recorders, pulse duplicators and multiple meters may be employed;

“Conditions of Service” means the document as developed by API in accordance with subsection 2.3 of the Distribution System Code that describes API’s operating practices and connection rules;

“Connection” means the process of installing and activating connection assets in order to distribute electricity to a Customer;

“Connection Agreement” means the agreement entered into between API and an Embedded Generator, Embedded Distributor, Subtransmission Customer, large load Standard Customer, or Customer wishing to connect a subdivision or development whose equipment is or will be connected to API’s Distribution System that outlines the conditions of the connection and delivery of electricity to that connection;

“Connection Cost Recovery Agreement” means the agreement entered into between API and a person connected to its Distribution System that describes the work to be performed by API in connecting the Customer, the cost of same, any required capital contribution and/or revenue guarantees;

“Customer” means a person who is connected to the Distribution System and includes Standard Customers, Subtransmission Customers, Embedded Generators, and Embedded Distributors. If an account is opened in more than one person’s name, all such persons are Customers and are jointly and severally responsible for compliance with these Conditions of Service and to pay the rates and charges in accordance with these Conditions of Service;

“Customer Equipment” means all electrical and mechanical equipment owned by the Customer;

“Demand Billed Customer” means a demand metered Customer with average monthly peak demand greater than 50 kW over 12-months that is read monthly and billed in kW demand as well as kWh.;

“Demand Meter” means a meter that measures a Customer’s peak usage during a specified period of time;

CONDITIONS OF SERVICE



“Demarcation Point” means the physical location at which API responsibility for operational control and ownership of distribution equipment including connection assets ends at the Customer;

“Disconnect” or **“Disconnection”** means a de-activation of connection assets which results in cessation of distribution services to a Customer;

“Distribution Losses” means energy losses that result from the interaction of intrinsic characteristics of the distribution network such as electrical resistance with network voltages and current flows;

“Distribution Loss Factor” means the factor(s) by which metered loads must be multiplied such that when summed it equals the total measured load at the supply point(s) to the distribution system;

“Distribution Services” means services related to the distribution of electricity and the services the Ontario Energy Board has required distributors to carry out for which a charge or rate has been approved by the Ontario Energy Board under Section 78 of the Act;

“Distribution System” means API’s system for distributing electricity below 50 kV, and includes any structures, equipment or other things used for that purpose. The distribution system is composed of the main system capable of distributing electricity to many Customers and the connection assets used to connect a Customer to the main distribution system;

“Distribution System Code” means the code, approved by the Board, and in effect at the relevant time, which, among other things, establishes the obligations of a distributor with respect to the services and terms of service to be offered to Customers and retailers and provides minimum technical operating standards of the Distribution System.;

“Electricity Act” means the *Electricity Act, 1998*, C.15, Schedule A;

“Electrical Safety Authority” or **“ESA”**, means the person or body designated under the Electricity Act Regulations as the ‘Electrical Safety Authority’;

“Embedded Distributor” means a distributor who is connected to the Distribution System;

“Embedded Generator” or **“Embedded Generation Facility”** means a Generator whose generation facility is connected to the Distribution System;

“Emergency” means any abnormal system condition that requires remedial action to prevent or limit loss of the supply of electricity;

“Energy Only Customer” means any Customer with average monthly peak demand of 50 kW or less over 12 months that is billed for electricity service on kWh energy only;

“Force Majeure Event” shall be deemed to be a cause reasonably beyond the control of the party whose inability as aforesaid is involved such as, but without limitation to, strike of that party’s employees, damage or destruction by the elements, accident to the works of that party, fire, explosion, war on the queen’s enemies, legal act of the public authorities, insurrection, act of God or inability to obtain essential services or to transport materials, products or equipment because of the effect of similar causes on that party’s suppliers or carriers, severe weather, flood, fire, lightning, other forces of nature, acts of animals, epidemic, quarantine, restriction, sabotage, act of a public enemy, earthquake, riot, civil disturbance, strike, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes;

“API” means Algoma Power Inc.;

“General Service” means all service supplied to premises other than those designated as residential, seasonal, street lighting, safety/ maintenance or interval metered classes. Generally, it includes commercial, industrial, educational,

CONDITIONS OF SERVICE



administrative, auxiliary and government-type services. It includes combination-type services where the owner of one property makes a variety of uses of the service, and all multiple services, except Residential;

“Generate” or “Generating”, with respect to electricity, means to produce electricity or provide ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or Distribution System;

“Generation Facility” means a facility for generating electricity or providing ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or Distribution System, and includes any structures, equipment or other things used for that purpose;

“Generator” means a person who owns or operates a generation facility;

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the electricity utility industry in North America during the relevant time period, or any of the practices, methods and acts which in the exercise of reasonable judgement in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good practices, reliability, safety, and expedition. Good utility practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in North America;

“API Facilities and Equipment” means API’s meters, wires, poles, cables, transformers, any other structures, equipment, all other appliances and equipment or other things used for distributing electricity;

“IESO” means the Independent Electricity System Operator established under the Electricity Act;

“IESO Controlled Grid” means the transmission systems with respect to which, pursuant to agreements, the IESO has authority to direct operation;

“Interval Meter” means a meter that measures and records electricity use on an hourly or sub-hourly basis;

“Load Transfer” means a network supply point of one distributor that it supplies through the distribution network of another distributor and where this supply point is not considered a wholesale supply or bulk sale point;

“Load Transfer Customer” means a Customer that is provided distribution services through a load transfer;

“Market Participant” means a person who is authorized by the market rules to participate in the IESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IESO controlled grid;

“Market Rules” means the rules made under Section 32 of the Electricity Act;

“Measurement Canada” means the special operating agency established in August 1996 by the Electricity and Gas Inspection Act, 1980-81-82-83, C.87 and Electricity and Gas Inspection Regulations (SOR/86-131);

“Meter Installation” means the meter and, if so equipped, the instrument transformers, wiring, test links, fuses, lamps, loss of potential alarms, data recorders, telecommunication equipment and spin-off data facilities installed to measure power past a meter point, provide remote access to the metered data and monitor the condition of the installed equipment;

“MIST Meter” means an interval meter from which data is obtained and validated within a designated settlement timeframe. MIST stands for “metering inside the settlement timeframe”;

“MOST Meter” means an interval meter from which data is only available outside of the designated settlement timeframe. MOST stands for “metering outside the settlement timeframe”;

CONDITIONS OF SERVICE



“Multiple Residential Properties” means a property, which provides separate living accommodation for two or more families. It does not include properties used for short-term occupancy such as hotels, motels, etc.;

“Ontario Energy Board Act” means the *Ontario Energy Board Act, 1998*, S.O. 1998, C.15, Schedule B;

“Open Access” means the date that API was required to provide non-discriminatory access to the Distribution System;

“Operational Demarcation Point” means the physical location at which API has operational control of distribution equipment including connection assets ending at the Customer;

“Ownership Demarcation Point” means the physical location between Customer owned equipment, service lines and API owned distribution facilities;

“Point of Supply”, with respect to an embedded generation facility, means the connection point where electricity produced by the embedded generation facility is injected into the Distribution System;

“Present Value” means the current value of a future amount of money;

“Primary Metered Service” means a connection whose meter point is located on the primary side of a distribution transformer;

“Primary Service” means a connection directly to API’s primary facilities.

“Private Property” means a property owned by a Customer or a third party, and does not include any public street or highway;

“Qualified Contractor” means a contractor qualified to deal with electrical hazards in accordance with the requirements of the *Occupational Health & Safety Act*, (Ontario), as amended and all applicable regulations thereto including, construction projects – O. Reg. 213/91;

“Rate” means any rate, charge or other consideration, and includes a penalty for late payment;

“Rate Handbook” means the document approved by the Ontario Energy Board that outlines the regulatory mechanisms that will be applied in the setting of distributor rates;

“Registered Metered Service Provider” means a person that provides, installs, commissions, registers, maintains, repairs, replaces, inspects and tests metering installations, and is approved and registered by Measurement Canada;

“Regulations” means the regulations made under the Act or the Electricity Act;

“Residential Service” means all services supplied to single-family dwelling units for domestic/household purposes.

“Retail”, with respect to electricity means,

- 1) sale or offer to sell electricity to a Customer
- 2) act as agent or broker for a retailer with respect to the sale or offering for sale of electricity, or
- 3) act or offer to act as an agent or broker for a Customer with respect to the sale or offering for sale of electricity;

“Retail Settlement Code” means the code approved by the Ontario Energy Board and in effect at the relevant time, which, among other things, establishes a distributor’s obligations and responsibilities associated with financial settlement among retailers and Customers and provides for tracking and facilitating Customer transfer among competitive retailers;

CONDITIONS OF SERVICE



“Seasonal Service” means all services supplied to single-family dwelling units for domestic purposes and are seasonal/intermittently-occupied. A Seasonal service could be anything from a service on a pole to a ski chalet, or a modern house being used as a cottage.

“Secondary Service” means a connection to the low voltage side of a distribution transformer located on the Distribution System.;

“Single Phase” means a system that supplies a single alternating current/voltage supply;

“Standard Customer” means any Customer who is **not** a Subtransmission Customer, an Embedded Distributor, an Embedded Generator, or a service that requires power for less than 12 months;

“Standard Supply Service” means the service approved by the Ontario Energy Board and in effect at the relevant time, which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under Section 29 of the Electricity Act;

“Subtransmission Customer” comprises that group of large users that are typically served from API sub-transmission system;

“Subtransmission Service” means a service that is connected to the API sub-transmission system;

“System Enhancements” or **“Enhancements”** means upgrades to the existing Distribution System that are triggered by a new connection and are required in order to maintain system operating characteristics and system capacity;

“System Expansion” or **“Expansion”** means an addition to the Distribution System in response to a request for additional Customer connections that otherwise could not be made;

“Three Phase” means a system having three distinct alternating current/voltage 120 degrees between each phase;

“Un-metered Loads” means electricity consumption that is not metered and is billed on estimated usage;

“Wholesale Market Participant” means a party that sells or purchases electricity or ancillary services through the IESO administered markets.



5.0 FORMS

Appendix A

**Table 1: Connection & Construction Agreements and Schedules
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1. Contact Information
2. Service Layout Application
3. Pole Sharing Arrangement (Owner and User)
4. Transfer of Privately Built Line Extension
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9. Pre-Authorized Payment
10. Property Key Contract
11. Security Deposit – Payment by a Third Party Acknowledgement
12. Disconnection Authorization
13. Acceptable Voltage Variations & General Electric Flicker Limits
14. Demarcation Points & Primary Underground Diagrams Contact Information



Algom Power Inc. Contact Information

CUSTOMER INQUIRY AND SERVICE

To contact us for questions concerning your account:

1-877-457-7378 or 705-256-3850

Monday to Friday 8 am to 4:30 pm (with exception of holidays)

Website: <http://www.algomapower.com>

E-mail: customerservice@algomapower.com

EMERGENCY SERVICE

For power outages, downed lines, or other emergencies:

1-800-335-0284 or 705-253-0211

QUESTIONS ABOUT THE ELECTRICITY MARKET?

If you have questions, or wish to learn more about the electricity market you can contact the following sources for information:

ONTARIO ENERGY BOARD

Customer Service Centre: 1-877-632-2727

Website: www.oeb.gov.on.ca

INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)

Customer Service Centre: 1-888-448-7777

Website: www.ieso.ca

ONTARIO POWER AUTHORITY

Customer Service Centre: 1-800-797-9604

Website: www.powerauthority.on.ca