

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 110 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Service Area</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Ontario Energy Board (OEB)* issued an Electricity Distribution Licence to Kenora Hydro Electric Corporation Ltd. (KHECL). The *OEB* Licence ED-2003-0030, issued on June 13, 2003 to the KHECL describes the *service area* on Schedule 1 as subsections 1 and 2, and is valid until March 31, 2023 and acknowledged by the *OEB*, in a letter dated June 13, 2003 from *OEB* Director of Licensing, Mark Garner.

## 2. Identification

KHECL is a private company, incorporated in accordance with the Ontario Business Corporation Act. The sole shareholder is the City of Kenora. See KHECLCOS-500 Appendix A, Corporate Contacts for the corporate address, telephone number, and Officers.

## 3. Service Territory

The initial Transitional Distributor Licence issued on April 1, 1999 described the *service area* of KHECL.

Schedule 1 of the KHECL distribution Licence describes the *service area* as:

1. The Municipality of Kenora as of December 31, 1999.
2. The Town of Keewatin, as of December 31, 1999, from the easterly boundary of Keewatin, westerly to Keewatin Beach Road, southerly to Lake of the Woods, and northerly to Darlington Bay.
3. Plan M456, lots 1-5 inclusive in the City of Kenora (formerly the Town of Jaffray Melick as of December 31, 1999).
4. Islands E211 and E212 situated in Lake of the Woods.

Subsequently, and by letter from the OEB Assistant Board Secretary, Peter H. O'Dell dated July 26, 2004, and *OEB* file No. RP-2004-0184/EB-2004-0373 the KHECL *service area* was amended and described in Schedule 1 as subsection 3.

Subsequently, and by letter from the OEB Assistant Board Secretary, Peter H. O'Dell, dated August 28, 2006, and *OEB* file No. EB-2006-0141 the KHECL *service area* was amended and described in Schedule 1 as subsection 4.

KHECL may only operate a *distribution system* within its licenced *service area* as defined in its Distributor Licence. This *service area* is subject to change with the OEB's approval.

Nothing contained in this *Conditions of Service*, or in any contract for the supply of *distribution services* by KHECL, shall prejudice or affect any rights, privileges, or powers vested in KHECL by law under any Act of the Legislature of Ontario, or the Parliament of Canada, or any regulation thereunder.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 120 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Codes and Laws</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Ontario Energy Board (OEB)* regulates the electricity distribution industry according to its mandate in the *Ontario Energy Board Act*. The *OEB* has instituted a number of Codes to provide details on how local distribution companies should operate.

## 2. Laws

The laws and statutes of the City of Kenora, Province of Ontario and the Government of Canada govern Kenora Hydro Electric Corporation Ltd. (KHECL).

### Federal Laws

The primary federal law affecting KHECL is the *Electricity and Gas Inspection Act*. This Act regulates the accuracy of metering and billing of *Customers* by suppliers. Other federal Acts, which affect the operation, are the Excise Tax Act, the Electricity Act, and the Canadian Environmental Protection Act.

### Provincial Laws

Provincially, three Acts have the largest impact on KHECL: *The Electricity Act*, the *Ontario Energy Board Act*, and the Occupational Health and Safety Act. KHECL is an Ontario Corporation established under the Ontario Business Corporations Act.

The purpose of the *Electricity Act*, inter alia, is to provide *generators, retailers* and *Customers* with non-discriminatory access to *transmission* and *distribution systems*, and to promote efficiency in the generation, transmission and distribution of *energy*. The *Ontario Energy Board Act*, in addition to the items mentioned above from the *Electricity Act*, protects the interests of *Customers* with respect to prices and the reliability and quality of *distribution services*, and facilitates the maintenance of a financially viable electricity industry, among other things. By setting out the duties of all parties in the workplace, the Occupational Health and Safety Act provides the framework and the tools to achieve safe and healthy workplaces.

### Municipal By-Laws

The City of Kenora has By-Laws that would affect the operation of KHECL.

## Codes

The OEB has published a number of codes to regulate the electricity industry in the Province of Ontario. The OEB codes are:

*Affiliate Relationships Code*  
*Transmission System Code*  
*Distribution System Code*  
*Retail Settlement Code*  
*Standard Supply Service Code*  
*Electricity Retailers Code of Conduct*

## 3. Priority

In the event of a conflict between these *Conditions of Service*, the *Distributor Licence*, *OEB codes*, municipal, provincial or federal laws, and a *Person's Distribution Services Agreement* the following priority shall prevail:

- Federal laws and regulations
- Provincial laws and regulations
- *Electricity Act, 1998*
- *Ontario Energy Board Act, 1998*
- *Distributor Licence*
- Municipal By-Laws
- *Affiliate Relationships Code*
- *Transmission System Code*
- *Distribution System Code*
- *Retail Settlement Code*
- *Standard Supply Service Code*
- *Electricity Retailer Code of Conduct*
- *Conditions of Service*
- *Distribution Services Agreement*

These *Conditions of Service* are mandated in the OEB's *Distribution System Code*.

When planning and designing for *distribution service*, *Applicants* and their agents must refer to all applicable provincial and federal electricity codes, and all other applicable federal, provincial, municipal laws, regulations, codes, and by-laws to also ensure compliance with their requirements. Without limiting to the foregoing, the work shall be conducted in accordance with the latest edition of the Ontario Occupational Health and Safety Act, the Regulations for Construction Projects, and the Electrical & Utility Safety Association Rulebook entitled Electric Utility Operations, and their Safe Practice Guides.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 130 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Interpretations</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Conditions of Service* documents shall be interpreted by the rules outlined below.

## 2. Interpretations

Headings, paragraphs numbers, bold markings, italics, and underlines are for convenience only and do not affect the interpretation of the *Conditions of Service* documents.

Words that are italicized are listed in Section KHECLCOS-400-00, Glossary of Terms, and are defined.

Words referring to the singular include the plural, and vice versa.

Words referring to a gender include any gender.

A reference to a document or a provision of a document includes any amendment or supplement to or any replacement of that document, or that provision of that document.

An event that is required to occur on or by a stipulated day, which is not a business day, may occur on, or by, the next business day, unless otherwise stated.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 140 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Amendments and Changes</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Conditions of Service* documents shall be amended or changed by the rules outlined below. The *Conditions of Service* may be subject to review by the *Ontario Energy Board (OEB)* as part of Kenora Hydro Electric Corporation Ltd.'s (KHECL) performance based rates plan.

## 2. Amendment Process

From time-to-time amendments, changes, additions or removals of any parts of this *Conditions of Service* document may be required. The need for amendments may come from KHECL staff, a Director of KHECL, the *OEB*, the City of Kenora, *Customers* and/or the general public.

Proposed amendments shall be reviewed by senior staff of KHECL, and finally approved by the President. Advanced notification, if any, of pending amendments will be done in accordance with the procedures outlined below.

## 3. Public Notification

Notification of an amendment shall be posted on the KHECL website and/or included in the *Customer's* regular bill mailings. When amendments are made, a public notice may also be issued in a local newspaper.

For major amendments, an advanced notice will be done through the *Customer's* regular bill mailings and the KHECL website. An advanced notice may also be issued in a local newspaper. When advanced notices are provided, *Customers* and the public will have a minimum of ten business days to provide comments. The KHECL mailing and e-mail addresses will be provided in the notice.

Any notifications will include a proposed timeline for implementation of the amendment.

#### 4. Publication

KHECL will maintain an up-to-date copy of the *Conditions of Service* and it will be available for public viewing at its corporate office. Each *Person* who requests a copy of the *Conditions of Service* will be provided with one copy. A reasonable fee will be charged to each *Person* who is provided with a copy of the *Conditions of Service*. A copy of the *Conditions of Service* and any amendments will be filed at the OEB's office in Toronto.

#### 5. Miscellaneous

The provisions of this *Conditions of Service*, and any amendments made from time-to-time, form part of any contract made between KHECL and any connected *Customer*, *retailer*, or *generator*. This *Conditions of Service* document supercedes all previous conditions of service, oral or written.

A *Person* is responsible for contacting KHECL to ensure that the *Person* has, or has to obtain, the current version of the *Conditions of Service*.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 150 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Contact Information</b>	<b>Review Date:</b> March, 2008

## 1. Contact Information

The address, telephone numbers, business hours and corporate officers of Kenora Hydro Electric Corporation Ltd. are shown in KHECLCOS-500, Appendix 'A', Corporate Contacts.

Telephone numbers, the address and office hours are also shown on the *Customer's* regular bill mailings, and on the company's website.

----- End of Document -----



<b>Kenora Hydro Electric Corporation Ltd.</b> <b>Conditions of Service</b>	<b>Number:</b> KHECLCOS – 160 – 00 <b>Issue Date:</b> April, 2007
<b>Consumer Rights</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

*Customers, retailers and generators* have rights regarding their relationship with *distributors*. These rights also have some limitations.

## 2. Rights

The *Electricity Act*, imposes obligations on *distributors*, such as Kenora Hydro Electric Corporation Ltd. (KHECL), regarding their relationship with *Customers, retailers and generators*. KHECL shall provide *Customers, retailers and generators* with non-discriminatory access to its *distribution system*, in accordance with its licence and subject to this *Conditions of Service* document.

KHECL shall *connect* a *building* to its *distribution system* if the *building* lies along any of the lines of its *distribution system* and the *Applicant* or other *Person* in charge of the *building* requests the *connection* in writing.

KHECL shall sell *energy* to every *Person* connected to its *distribution system*, except a *Person* who advises it in writing that the *Person* does not wish to purchase *energy* from KHECL.

## 3. Limitations

KHECL may consider reasons to refuse to *connect*, or refuse to continue to *connect*, a *Customer* or *Applicant* as described in KHECLCOS-210-03 "Connection Denial" or if there is any violation of any other conditions identified in the KHECL's *Conditions of Service* documents.

If KHECL refuses to *connect* a *building*, it shall inform the *Applicant* requesting the *connection* of the reason(s) for not connecting and, where KHECL is able to provide a remedy, make an offer to *connect*. If KHECL is unable to provide a remedy to resolve the issue, it is the responsibility of the *Applicant* to do so before a *connection* may be made.

#### 4. Liability

Notwithstanding the above, KHECL shall not 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.

#### 5. Indemnity

The *Customer, Applicant or embedded generator*, shall indemnify and hold harmless KHECL, its directors, officers, employees, and agents from any claims made by any third parties in *connection* with the construction and installation of a *generation facility* by, or on behalf of, the *Customer, Applicant or embedded generator*. See KHECLCOS-350-01 Embedded Generation.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 170 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Distributor Rights</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

*Distributors* have rights regarding their relationship with *Customers* and *embedded generators*. This section outlines the rights of Kenora Hydro Electric Corporation Ltd. (KHECL) that are not covered elsewhere in this document.

## 2. Access to Private Property

KHECL shall have access to *private property* in accordance with Section 40 of the *Electricity Act*.

Commercial, Institutional and Industrial electrical rooms are to have direct external access and KHECL and the *Customer* are to have keys for same.

## 3. Safety of Equipment

The *Customer*, *Generator*, or *Applicant* will comply with all aspects of the *Ontario Electrical Safety Code* with respect to insuring that 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. If the *Customer*, *Generator*, or *Applicant* does not take such action within a reasonable time, KHECL may *disconnect distribution services* to the *Customer*, *Generator*, or *Applicant*.

The *Customer*, *Generator*, or *Applicant* shall not build, plant or maintain or cause to be built, planted or maintained any structure, tree, shrub or landscaping that would or could obstruct the *distribution system*, endanger the equipment of KHECL, interfere with the proper and safe operation of KHECL's facilities, or adversely affect compliance with any applicable legislation in the sole opinion of KHECL.

The *Customer*, *Generator*, or *Applicant* shall not use or interfere with the *distribution system* of KHECL except in accordance with a written agreement with KHECL. The *Customer*, *Generator*, or *Applicant* must also grant KHECL the right to secure any point where a *connection* may be made on the line or load side of the *metering installation*.

## 4. Operating Control

The *Customer*, *Generator*, or *Applicant* will provide a convenient and safe place, satisfactory to KHECL, for installing, maintaining and operating its equipment in, on, or about the *Customer*, *Generator*, or *Applicant's building*. KHECL assumes no risk

and will not be liable for damages resulting from the presence of its equipment on the *Customer, Generator, or Applicant's* premises or approaches thereto, or for any action, omission or occurrence beyond its control, or the negligence of any *Persons* over whom KHECL has no control.

Only an employee or an agent of KHECL shall remove, replace, alter, repair, inspect or tamper with KHECL's equipment.

*Customers, Generators, or Applicants* will be required to pay the cost of repairs or replacement of KHECL's equipment that has been damaged or lost by the direct or indirect act or omission of the *Customer, Generator, or Applicant* or its agents.

The physical location on the *Customer, Generator, or Applicant's building*, at which a *distributor's* responsibility for operational control of distribution equipment, including *connection assets*, ends is defined by the *OEB Distribution System Code (DSC)* section 1.2 - Definitions as the "*operational demarcation point*".

## **5. Repairs of Defective Customer Electrical Equipment**

The *Customer, Generator, or Applicant* will be required to repair or replace any equipment owned by the *Customer, Generator or Applicant* that may affect the integrity or reliability of KHECL's *distribution system*. If the *Customer, Generator, or Applicant* does not take such action within a reasonable time, KHECL may *disconnect* the supply of *distribution services* to the *Customer, Generator, or Applicant*. KHECL's policies and procedures with respect to the *disconnection* process are further described in *Conditions of Service KHECLCOS-220-01, Disconnection*.

## **6. Repairs of Customer's Physical Structures**

Depending on the *ownership demarcation point*, construction and maintenance of all civil works on *private property* owned by the *Customer, Generator, or Applicant*, including such items as transformer vaults, *transformer rooms*, transformer pads, cable chambers, cable pull rooms and underground conduit, will be the responsibility of the *Customer, Generator, or Applicant*. All civil work on *private property* must be inspected and accepted by KHECL and the *Electrical Safety Authority*. The *OEB DSC* defines "*ownership demarcation point*" as the physical location at which a *distributor's* ownership of distribution equipment including *connection assets* ends at the *Customer, Generator, or Applicant*.

To the satisfaction of KHECL, the *Customer, Generator, or Applicant* is responsible for the safe operation and maintenance of their structural and mechanical facilities located on *private property*.

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 180 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Dispute Resolution</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

As provided in Section 23 of Kenora Hydro Electric Corporation Ltd.'s Distribution Licence and the *Ontario Energy Board's Distribution System Code*, Kenora Hydro Electric Corporation Ltd. (KHECL) is required to establish administrative procedures for resolving disputes by *Customers, Generators, and Applicants* (the "Party") regarding *distribution services* provided under the terms of the Licence.

## 2. Exclusivity

Except where this policy states otherwise, the dispute resolution procedures set forth in this *Conditions of Service* document shall apply to all disputes arising between KHECL and the "Party" and shall be the only means for resolving any such disputes.

## 3. Policy

- 3.1 All complaints or disputes received shall be referred to the relevant Manager for resolution on an informal basis within seven business days.
- 3.2 The resolution shall be documented and signed by the Manager.
- 3.3 Disputes not resolved in Section 3.1 shall be subject to the Dispute Negotiation described in Section 4.
- 3.4 The *OEB* shall be requested to assist in disputes not resolved in Section 4, in the manner described in section 5.
- 3.5 In the event intervention by the *OEB* has been unsuccessful in resolving the dispute within any parameters established by the *OEB*, either the Party or KHECL may submit the dispute to binding arbitration and resolution in accordance with the arbitration procedures set out in Section 6.

#### **4. Dispute Negotiation**

- 4.1 Any dispute between KHECL and the Party regarding *distribution services* provided under the terms of KHECL's Licence shall be referred to a designated representative chosen by KHECL and to a designated representative chosen by the Party for resolution on an informal basis.
- 4.2 The representatives designated in 4.1 shall attempt in good faith to resolve the dispute within thirty business days of the date when the dispute was referred to them. The Party and KHECL may extend such period by agreement in writing.
- 4.3 Any resolution of the dispute by the designated representatives shall be in writing and shall be executed by an authorized signing officer of KHECL and the Party. The resolution shall bind KHECL and the Party and their respective successors and assigns, and shall not, except for either the Party or KHECL's subsequent failure to abide by the resolution, from then on be subject to arbitration or challenge in any court or other tribunal.
- 4.4 If the Party or KHECL refuses to honour the designated representative's resolution as executed, the other may immediately commence arbitration under these *Conditions of Service* to enforce the resolution, or may bring summary application to a court of competent jurisdiction to enforce the resolution.

#### **5. Referral of Unresolved Disputes**

If the designated representatives cannot resolve the dispute within the time period set out in Section 4.2, either the Party or KHECL may submit the dispute to the *OEB* for direction on resolution. In the event intervention by the *OEB* cannot resolve the dispute within any parameters established by the *OEB*, it shall be subject to binding arbitration and resolution in accordance with the arbitration procedures set out in Section 6.

#### **6. External Arbitration Procedures**

- 6.0.1 All arbitrations under this Agreement shall be conducted in accordance with the Arbitration Act, 1991, S.O. 1991, c.17 (the "Arbitration Act") as amended from time to time, except as modified herein.
- 6.0.2 The arbitrator(s) shall have exclusive authority to hear and decide any dispute between the Party and KHECL that is subject to arbitration under this *Conditions of Service*.
- 6.0.3 The arbitration must take place in the City of Kenora.

6.1 Appointment of Arbitrator

- 6.1.1 The Party or KHECL shall submit any arbitration begun under this section to a single neutral arbitrator.
- 6.1.2 In choosing an arbitrator, the Party and KHECL shall negotiate in good faith.
- 6.1.3 If the Party and KHECL cannot agree upon a single arbitrator within fifteen business days after referring the dispute to arbitration, each one shall within five more business days choose one individual who shall sit on a three-member arbitration panel.
- 6.1.4 The two arbitrators chosen by the Parties shall within twenty business days, in good faith, choose a third arbitrator, who shall chair the arbitration panel.
- 6.1.5 Neither the Party nor KHECL may at any time during the arbitration revoke its choice of arbitrator, unless the other consents in writing.
- 6.1.6 If the Party and KHECL do not choose the two arbitrators within the five day time period set out in Section 6.1.3, either, or both, may apply to the court to appoint a single arbitrator.
- 6.1.7 The individual(s) chosen as the arbitrator(s) shall be qualified by education and experience to decide the matter. The arbitrator(s) shall be at arm's length from the Party or KHECL to the arbitration and shall not be members of the audit or legal firm or firms who advise them to the arbitration, nor shall the arbitrator(s) be otherwise regularly retained by any of them to the arbitration.

6.2 Written Statement of Dispute and Response

- 6.2.1 Within twenty business days after the individual arbitrator or arbitration panel are named; the Party shall submit to the arbitrator(s) a written statement. The statement shall set out:
  - 6.2.1.1 The nature of the dispute and the Party's position,
  - 6.2.1.2 The names of the Party's main contacts for the arbitration process along with their addresses, phone numbers and fax numbers,
  - 6.2.1.3 The grounds for that relief,
  - 6.2.1.4 The proposed resolution or relief sought,

6.2.1.5 The names of any third parties with material knowledge or information relevant to the dispute, and

6.2.1.6 Any documents that the Party wishes the arbitrator(s) to consider.

6.2.2 KHECL shall have twenty business days to respond to the filing, setting forth its position and the information that it deems relevant.

### 6.3 Discovery of Facts

6.3.1 There shall be no documentary discovery or discovery of facts taken, sought, or otherwise instituted by any means except as approved by the arbitrator(s).

6.3.2 The arbitrator(s) shall provide a time schedule for any such discovery.

6.3.3 The arbitrator(s) may at any time retain non-party technical experts to advise and assist them during the arbitration. The advice of these experts shall be made known to the Party and KHECL.

### 6.4 Confidentiality of Documents

All meetings and hearings shall be in private unless the Party or KHECL to the arbitration agree otherwise. The Party or KHECL providing any document or other information in the arbitration that would not otherwise be available to the other may in good faith designate it as confidential, provided that they shall first submit to the arbitrator(s) an agreed upon written statement of procedures for handling and protecting material designated as confidential, which the arbitrator(s) may accept or modify as they may deem appropriate. If the Party and KHECL cannot agree upon confidentiality procedures, the arbitrator(s) shall decide them as appropriate.

### 6.5 Procedural Rules

6.5.1 The arbitrator(s) may adopt any procedural rules that they, at their sole discretion, deem appropriate to conducting the arbitration and facilitating the resolution of the dispute.

6.5.2 No procedural rule adopted by the arbitrator(s) shall extend the time period set forth in Section 6.6.1; but the arbitrator(s) shall render a final disposition of the dispute within that period, which may not be extended or reduced unless the Party and KHECL consent in writing.



- 6.5.3 Refusal by either to comply with an order of the arbitrator(s) adopting or modifying any procedural rule shall constitute, in the sole discretion of the arbitrator(s), grounds for default and a finding in favour of the other.

#### 6.6 Decision Requirements

- 6.6.1 The arbitrator(s) shall finally decide any dispute submitted for arbitration under this *Conditions of Service* document no later than thirty days from the completion of the hearing.
- 6.6.2 Unless the Party or KHECL agree otherwise in writing, the final decision of the arbitrator(s) shall set forth in writing their findings of fact and any conclusions of law and be based on the evidence before them, the applicable laws of Ontario and Canada, the *Market Rules*, the licences and Codes issued by the OEB, any agreements entered into between the Party and KHECL, and any relevant decisions of courts, agencies, or earlier arbitrations under this *Conditions of Service* document.
- 6.6.3 A copy of the decision, with any confidential information expunged, shall be made available to the public.

#### 6.7 Finality of Decisions

- 6.7.1 The decision shall be final and binding on the Party and KHECL and shall not be subject to appeal or judicial review on any grounds whatsoever.
- 6.7.2 Notwithstanding anything else in this subsection, if either fails to act in accordance with the decision of the arbitrator(s), the other may then seek enforcement of the decision in any court of competent jurisdiction.

#### 6.8 Arbitration Act

- 6.8.1 Nothing in this *Conditions of Service* document shall be construed as affecting any rights available to the Party or KHECL under section 3 of the Arbitration Act.
- 6.8.2 If and so far as any provision of Section 6 is adjudged or otherwise deemed invalid by a court of competent jurisdiction, the provisions of the Arbitration Act shall apply.

#### 6.9 Costs

- 6.9.1 The arbitrator(s) shall award costs for an arbitration as if it had been a proceeding in Ontario Superior Court, and the arbitrator(s)

shall therefore, in awarding or denying costs to a Party, follow the provisions on costs set out in the Ontario Courts of Justice Act, R.S.O. 1990, c. C.43 and the Ontario Rules of Civil Procedure, including without limitation the provisions in those rules concerning settlement offers and case law applicable in Ontario. Costs of the arbitrator(s) and the out of pocket costs of the arbitration shall be shared by the Party and KHECL on an equal basis.

- 6.9.2 If the Party or KHECL fails to comply with the decision of the arbitrator(s) and the other afterwards seeks relief under section 6.7.2, the one seeking the relief shall be entitled to receive from the other its costs of seeking the relief from the other (including its reasonable legal costs) once a court of competent jurisdiction has issued a final, non-appealable order in its favour.

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<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Connections</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Under the terms of the *Ontario Energy Board Distribution System Code (OEB DSC)* Section 3.1, Kenora Hydro Electric Corporation Ltd. (KHECL) has the obligation to either *connect* or to make an offer to *connect* any *Applicant* that lies in its *service area*.

## 2. Initial Applicant Contact and Required Information

The *Applicant* or its representative shall consult with KHECL concerning the availability of *distribution services*, the *supply voltage*, service location, metering, and any other details. These requirements are separate from and in addition to those of the *Electrical Safety Authority*. KHECL will confirm, in writing, the characteristics of the *distribution services*.

The *Applicant* or its authorized representative shall apply for new or upgraded *distribution services* and/or *temporary services* in writing. The *Applicant* is required to provide KHECL with sufficient lead-time in order to ensure:

- (a) the timely provision of services to new and upgraded *buildings*;
- (b) the availability of adequate capacity for additional loads to be *connected* in existing *buildings*; and
- (c) refer to KHECLCOS-210-02 "Expansions / Offer to Connect".

The arrangements for servicing shall be coordinated and approved by the City of Kenora Engineering Department and the Chief Building Inspector of the City of Kenora.

Special application requirements for proposed *embedded generation facilities* are contained in KHECLCOS-350-01 Embedded Generation.

### 3. KHECL Response Timing

KHECL shall make every reasonable effort to respond promptly to an *Applicant's* request for *connection*. KHECL shall respond to an *Applicant's* written request within 15 calendar days of receipt. KHECL will make an offer to *connect* within 60 calendar days of receipt of the written request, unless other necessary information is required from the *Applicant* before the offer can be made.

KHECL shall make every reasonable effort to respond promptly to a *generator's* request for *connection*. In any event, KHECL shall comply with the provisions in the *OEB DSC* Section 6.2 and the *OEB DSC* Appendix F.1.

KHECL shall make every reasonable effort to respond promptly to another *distributor's* request for *connection*. KHECL 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 *distributor* to KHECL's *distribution system* shall be made within ninety (90) days of receiving the written request for *connection*, unless other necessary information outside of KHECL's control is required before the offer can be made.

### 4. Connection Agreement

KHECL, in its discretion, may require an *Applicant* or *distributor* to enter into a *Distribution Services Agreement* with KHECL including terms and conditions in addition to those expressed in this *Conditions of Service*. Refer to the sample in KHECLCOS-500 Appendices I and J.

KHECL, in its discretion, will require a *generator* to enter into a *Connection Agreement* and, if required, an *MSP Agreement* with KHECL including terms and conditions in addition to those expressed in this *Conditions of Service*. Refer to the sample in KHECLCOS-500 Appendices K and L, and *OEB DSC* Appendix E.

### 5. Special Equipment

If special equipment is required or equipment delivery problems occur, then longer lead times may be necessary. KHECL will notify the *Applicant* of any extended lead times.

### 6. Extenuating Circumstances

In addition to any other requirements in this *Conditions of Service* document, the supply of *distribution services* is conditional upon KHECL being permitted and able

to provide such *distribution services*, obtaining the necessary apparatus and material, and constructing works to provide the *distribution service*. Should KHECL not be permitted, or be able to do so, it is under no responsibility to the *Applicant* whatsoever and the *Applicant* releases KHECL from any liability in respect thereto.

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<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Building That Lies Along</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Under the terms of the *Ontario Energy Board's Distribution System Code*, Kenora Hydro Electric Corporation Ltd. (KHECL) has the obligation to *connect* (under Section 28 of the *Electricity Act, 1998*) a *building* that "lies along" its *distribution system*. Standard *connection* allowances and fees may be applied by the *distributor*.

## 2. Definition

For the purpose of this *Conditions of Service* document,

"Lies along" means a *building* or proposed *building* that is directly adjacent to or abuts onto the public road allowance where KHECL has a *distribution system* of the appropriate voltage and capacity; and

"Basic Connection Fees" are reviewed annually and are calculated based on the average costs to provide the Standard Allowance and the Basic Connection for each *Customer Class* as identified in Section KHECLCOS-500-00, Appendix C, Connection Fees. These fees are determined using historical data from previous year(s) for all completed projects in each *Customer Class*.

## 3. Conditions

Under the terms of the *Distribution System Code*, KHECL has the obligation to *connect* (under Section 28 of the *Electricity Act, 1998*) a *building* that "lies along" its *distribution system*, provided:

- a) the *building* can be *connected* to KHECL's *distribution system* without an *expansion* or *enhancement*, and,
- b) the *electrical service* meets the conditions listed in the *Conditions of Service* of KHECL that owns and operates the *distribution system*.

The location of the *Applicant's electrical service* will be subject to the approval of KHECL and the *Electrical Safety Authority*.

#### 4. Connection Charges

KHECL shall recover costs associated with the installation of *connection assets*, by *Customer Class*, via a Basic Connection Fee and a Variable Connection Fee, as set out below:

a) The Basic Connection Fee:

i) Residential Service:

The Basic Connection Fee is recovered through KHECL's *rates* and covers the Standard Allowance to provide a basic *connection* consistent with the defined *ownership demarcation point* as outlined in Section KHECLCOS-500-00, Appendix C, Connection Fees. This point may differ from the *operational demarcation point*.

ii) General Service:

KHECL may recover the Basic Connection Fee either through KHECL's *rates*, or through a Basic Connection Fee levied from the *Customer* requesting the *connection*. The Basic Connection Fee is determined for each *Customer Class* as indicated in Section KHECLCOS-500-00, Appendix C, Connection Fees.

b) The Variable Connection Charge:

The Variable Connection Fee shall be calculated as the costs associated with the installation of *connection assets* above and beyond the Standard Allowance for Basic Connection as described in Section KHECLCOS-500-00, Appendix B, Demarcation Points. KHECL may recover this Variable Connection Fee which shall be based on actual cost.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 02
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Expansions Offer To Connect</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Under the terms of the *Ontario Energy Board's (OEB) Distribution System Code (DSC)*, Kenora Hydro Electric Corporation Ltd. (KHECL) has the obligation to make an Offer to Connect for any *building* that is in its *service area*. If the *building* cannot be *connected* without an *expansion* or *enhancement* to its *distribution system*, the process outlined in this section will apply.

If the *building* "lies along" KHECL's *distribution system*, it may be denied *connection* for the reasons described in Section KHECLCOS – 210 – 03 "Connection Denial".

In making an "Offer to Connect", KHECL will include, without limitation, the following components, as applicable:

- A description of the expansion facilities and connection assets
- Basic and variable connection fees
- Economic evaluation
- Capital contribution and alternative bids
- Settlement of capital contribution
- Rebates related to expansions
- Construction Agreement for Expansion Facilities and Connection Assets
- Reference to KHECL's Conditions of Service and how they can be obtained
- Where the word *Applicant* is used in this section of KHECLCOS-210-02, it means *Applicant* or *developer*.
- Expansion deposit

## 2. Time To Respond With An Offer To Connect

KHECL shall make every reasonable effort to respond promptly to an *Applicant's* request for *connection*. KHECL shall respond to an *Applicant's* written request for an *Applicant connection* within 15 calendar days of receipt of the written request. KHECL will make an Offer to Connect within 60 calendar days of receipt of the written request, unless other necessary information is required from the *Applicant* before the offer can be made.



### 3. Description of Expansion Facilities and Connection assets

KHECL will provide a description of the *expansion* facilities and *connection assets* required to connect the *Applicant*. The description will be in the form of preliminary electrical drawings prepared from planning, engineering and other information provided to KHECL by the *Applicant*.

### 4. Basic and Variable Connection Fees and Demarcation Points

The cost associated with the *expansion* will be fair and reasonable and includes Basic and/or Variable Connection Fees. KHECLCOS-500 Appendix B, Demarcation Points and Charges for Connection Assets and Appendix C, Basic Connection and Disconnection Fees, detail the basic and variable connection fees for each Service Category.

### 5. Economic Evaluation

KHECL will perform an economic evaluation to determine whether the future revenue from the *Applicant* will pay for the capital and on-going maintenance costs of the *expansion* project (refer to methodology and assumptions in the DSC – Appendix B). At the discretion of KHECL, the capital costs for the *expansion* may include incremental costs associated with the full use of KHECL's existing spare facilities or equipment, which may result in an adverse impact to future *Applicants*. The economic evaluation will be based on KHECL's historical *Customer energy/demand* load by rate class and, in the case of an *expansion* to serve residential load, by *building* type (townhouse, semi-detached house, fully detached house).

In performing the economic evaluation, should the Net Present Value (NPV) of the costs and revenues associated with the *expansion* be less than zero, a capital contribution in the amount of the shortfall is required. KHECL has the choice of either:

- (a) Collecting this shortfall from the *Applicant*, or
- (b) Absorbing this shortfall.

If the *expansion* is for a *generation facility* the provisions of the OEB DSC Section 3.2 will apply.

### 6. Capital Contributions, Settlement and Alternative Bids

The capital contribution collected from the *Applicant* and its settlement, as determined in Sections 4 and 5 above, is to be consistent with the respective Service Categories as outlined below:

Residential Single Service:

Overhead or underground: Capital contribution collected from the *Applicant* for greater than 30m of overhead conductor or equivalent.

Residential – Site Plan Development  
(As determined by the  
City of Kenora):

Capital contribution collected from the *Applicant*. To be paid as per Construction Agreement for Expansion Facilities Supplied by Developer/ Distributor. (See Section 9 below.)

Residential – Subdivision Agreement  
(Greater than 2 Units):

Capital contribution collected from the *Applicant*. To be paid as per Construction Agreement for Expansion Facilities Supplied by Developer/ Distributor.

General Service Below 50 kW:

Capital contribution collected from the *Applicant*. To be paid as per Construction Agreement for Expansion Facilities Supplied by Developer/ Distributor.

General Service 51 kW – 500 kW  
Site Plan Development:

Capital contribution collected from the *Applicant*. To be paid as per Construction Agreement for Expansion Facilities Supplied by Developer/ Distributor.

General Service 501 kW to 5000 kW:  
Site Plan Development:

*Applicant/Customer-owned substation* may be required. Capital contribution will be collected from the *Applicant*. To be paid as per Construction Agreement for Expansion Facilities Supplied by Developer/ Distributor.

General Service – Subdivision Agreement:

Capital Contribution collected from the *Applicant*. To be paid as per Construction Agreement for Expansion Facilities Supplied by Developer/ Distributor.

Where a capital contribution is required and the work does not involve work with existing KHECL distribution equipment, the *Applicant* may obtain alternative bids for the *expansion* from qualified contractors.

KHECL may charge an *Applicant* that chooses to pursue an alternative bid any costs incurred by KHECL associated with the *expansion* project, including but not limited to the following:

- Costs for additional design, engineering, or installation of facilities required to complete the project that were made in addition to the original Offer to Connect
- Costs for inspection or approval of the work performed by the contractor hired by the *Applicant*.

KHECL may collect expansion deposits for up to 100% of the present value of the projected capital costs and on-going maintenance costs of the project.

## **7. Adjustments of Capital Contributions**

The initial *energy/demand* load will be based on KHECL's historical *Customer energy/demand* load as described in Section (5) above. Final review after five (5) years of the economic evaluation may be performed at KHECL's sole discretion. If, after the In-Service Date, the *Applicant's* or *Customer's* actual *energy/demand* load or *Customer* additions is **less than 90%** of the original forecast for the *expansion*, and KHECL has opted to review the financial evaluation, the *Applicant* and KHECL agree to:

1. Adjust the economic evaluation based on the *Applicant's* actual 12-months average monthly *demand*
2. Recalculate the amount of capital contribution
3. Readjust accordingly the expected Incremental Revenue
4. The *Applicant* or KHECL shall reduce the difference in the capital contribution to zero by paying the balance no later than 30 days after the date of KHECL's notice of capital contribution settlement.

## **8. Rebates Related to Expansions**

Where KHECL is required to add to the *distribution system* solely for the *connection* of an *Applicant*, the *Applicant* will be required to pay KHECL 100% of the calculated shortfall. If within 5 years from the *connection* date, non-forecasted *Applicants* are to be *connected* to these new additions, they shall contribute their share, and the first *Applicant* will be entitled to a rebate as outlined in KHECL's rebate process below.

Based on the amount of physical distance of the *expansion* that the non-forecasted *applicant* will be using, the non-forecasted and the original *Applicants* will share the depreciated costs on an equal basis.

Example (for two *Applicants* only):

Original *Applicant* "A" pays a capital contribution of \$Y to construct a 500 m *expansion* from KHECL *distribution system* to "A"s new *building*. Non-forecasted *Applicant* "B" requires *connection* to the *expansion*, three years after the *expansion* was completed, at a distance 100 m from the original location of KHECL *distribution system*. Depreciation rate on distribution lines is 4% per year.

The rebate to be provided by "B" to "A", through KHECL, will be:

$$\text{Rebate} = [(100/500) \times \$Y \times (1 - (3 \times .04))] / 2$$

## 9. Construction Agreement for Expansion Facilities and Connection Assets

*Applicants* for Residential Service Categories that are subject to a site plan or subdivision agreement, or General Service Categories that are subject to a subdivision agreement shall enter into a:

- Construction Agreement for Expansion Facilities and Connection Assets Supplied by Developer – Residential Subdivision; or a
- Construction Agreement for Expansion Facilities Supplied by Developer – General Service Subdivision

and may be required to provide a *performance guarantee* equivalent to the costs of the *expansion*. The generic agreements are contained in KHECLCOS-500, Appendices D and E.

## 10. Offer to Connect

KHECL's Offer to Connect will be a firm offer based on an estimate of the costs to construct the *expansion*. KHECL will provide one estimate to the *Applicant* for any plans submitted to KHECL for an *expansion* project, at no expense to the *Applicant*. If the *Applicant* submits revised plans, KHECL may provide a new firm offer for revised plans at the *Applicant's* expense.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 03
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Connection Denial</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Ontario Energy Board Distribution System Code (OEB DSC) Section 3.1* provides for the ability of a *distributor* to deny *connections*.

## 2. Reasons For Denial

In accordance with the *OEB DSC Section 3.1.1*, Kenora Hydro Electric Corporation Ltd. (KHECL) is not obligated to *connect* a *building* within its *service area* if the *connection* would result in any of the following:

- Contravention of existing laws of Canada and the Province of Ontario
- Violations of conditions in KHECL's Licence
- Adverse affect on the reliability or safety of the *distribution system*
- Public safety reasons or imposition of an unsafe situation for the worker beyond normal risks inherent in the operation of the *distribution system*
- A material decrease in the efficiency of the *distributor's distribution system*
- A materially adverse effect on the quality of *distribution services* received by an existing *Customer*
- If the *Person* or *Applicant* requesting the *connection* owes KHECL money for *distribution services*
- Any other conditions documented in KHECL's *Conditions of Service* documents
- Use of the *distribution system* for a purpose that it does not serve and that KHECL does not intend to serve
- Potential increases in monetary amounts that already are in arrears with KHECL
- If an *electrical service* to KHECL's *distribution system* does not meet KHECL's design requirements

## 3. Applicant Communication

In accordance with the *OEB DSC Section 3.1.3*, if KHECL refuses to *connect* a *building* in its *service area* that lies along its *distribution system*, KHECL shall inform the *Applicant* or *Person* requesting the *connection* of the reasons for the denial, and where KHECL is able to provide a remedy, make an offer to *connect*. If KHECL is not capable of resolving the issue, it is the responsibility of the *Applicant* or *Person* to do so before a *connection* can be made.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 04
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Inspections Before Connection</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Electrical Safety Authority (ESA)* was established by the Province of Ontario in 1998 through the *Electricity Act*. The *ESA* may make regulations regarding electrical safety, and the conditions and inspections surrounding the regulations.

## 2. Inspection By Electrical Safety Authority

All *Applicant's electrical services* shall be inspected and approved by the *ESA* and must also meet Kenora Hydro Electric Corporation Ltd.'s (KHECL) requirements. KHECL requires written notification from the *ESA* of this approval prior to the *connection of an Applicant's electrical service to the distribution system*.

## 3. Inspection By Other Authorities

All *ESA* approvals shall be reviewed by the City of Kenora's Chief Building Inspector and approved prior to the *connection of the Applicant's electrical service*.

KHECL's Inspector must approve all underground *electrical services* prior to the *connection of an Applicant's electrical service*.

## 4. Services Disconnected For Longer Than Six Months

*Customer's* that have been *disconnected* for a period of six months or longer must be re-inspected and approved by the *ESA*, prior to reconnection.

## 5. Temporary Services

*Temporary services*, typically used for construction purposes and for a period of twelve months or less, must be approved by the *ESA* and must be re-inspected should the period of use exceed twelve months.

## 6. Customer Owned Substations

*Customer-owned substations* must be inspected by both the *ESA* and KHECL.

*Transformer rooms* shall be inspected and approved by KHECL prior to the installation of KHECL's equipment.

All 12.5kV connected *Applicant* poles, lines, related equipment and substations must be inspected by both *ESA* and KHECL.

## **7. Distribution Plant Expansions**

All *connection assets* of underground *residential services* shall be fully inspected by KHECL for conformance to KHECL's Engineering Specifications.

For commercial/industrial *Applicants* using less than 12.5kV, KHECL shall fully inspect the *distribution system* up to the *ownership demarcation point* for conformance to KHECL's Engineering Specifications.

Notwithstanding any other section in this document, all work done on existing KHECL *distribution system* must be authorized by KHECL and carried out in accordance with all applicable safety acts and regulations. Only contractors approved by KHECL shall do *expansions* to KHECL *distribution systems*.

KHECL Inspector(s) or their agents shall have the right to inspect such other equipment as they deem necessary to ensure a safe and operable installation and also to direct the *Applicant* or representatives of the *Applicant* to do such things as the Inspector deems necessary to ensure a complete and proper inspection.

## **8. Metering**

Provision for the *meter installation* shall be inspected and approved by KHECL prior to *connection*.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 05
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Relocation of Plant</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

From time to time parts of the *distribution system* may have to be relocated. The need may be originated by Kenora Hydro Electric Corporation Ltd. (KHECL), or by the requirements of another party. Different originators of the request will cause the relocation to occur under differing circumstances.

## 2. Originated By KHECL

When part of the *distribution system* requires relocation because of a KHECL requirement, all costs will be borne by KHECL. These costs will be included in its rate base. The specifications for the project, and work procedures, will be the same as if it was for a government agency, a private company, or a *developer*. The cost of relocating third party facilities located on KHECL *distribution system* shall be borne by the third party or as specified in an existing Agreement.

## 3. Originated By Government Agency

When requested to relocate part of the *distribution system*, KHECL will exercise its rights, and discharge its obligations, in accordance with existing acts, by-laws and regulations, including the Public Service Works on Highways Act, formal agreements, easements and law.

## 4. Originated By Another Party

When requested to relocate part of the *distribution system*, KHECL will exercise its rights and discharge its obligations in accordance with existing acts, by-laws, regulations, formal agreements, easements and law. In the absence of existing agreements, KHECL shall not be obligated to relocate the *distribution system*. However, KHECL shall resolve the issue in a fair and reasonable manner. Resolution in a fair and reasonable manner will include a response to the requesting party that explains the feasibility, or unfeasibility, of the relocation, and a fair and reasonable charge for relocation based on cost recovery principles.

----- End of Document -----



<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 210 – 06
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Easements</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

To maintain the reliability, integrity and efficiency of the *distribution system*, Kenora Hydro Electric Corporation Ltd. (KHECL) has the right to have supply facilities on or over *private property*. KHECL will determine where registered easements will be required when part of the *distribution system* is located on or over *private property*. Easements are to be registered against title to the *private property*.

## 2. Process

For easements required due to *Applicant, Customer* or *developer* activity, they will provide at their own cost, any required reference plan necessary for the easement, to the satisfaction of KHECL. The *Applicant, Customer, generator* or *developer* will, at their own cost, have their lawyer prepare the easement agreement, which will contain a Schedule provided by KHECL. Four copies of the reference plan and the proposed easement must be presented to KHECL for approval. Details will be provided in the Offer to Connect.

For easements required due to KHECL activity, KHECL will provide at its own cost, any required reference plan necessary for the easement and have its lawyer prepare the easement agreement. Four copies of the reference plan and proposed easement will be provided to the *Applicant, Customer, generator* or *developer* for signature.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b> <b>Conditions of Service</b>	<b>Number:</b> KHECLCOS – 210 – 07
	<b>Issue Date:</b> April, 2007
<b>Contracts</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) has various contracts to deal with *Applicant* and *Customer* relationships. This includes implied contracts.

## 2. Contract for New or Modified Services

KHECL shall only *connect* an *Applicant's building* for a new or modified service upon receipt by KHECL of a completed and signed *Distribution Services Agreement*, payment to KHECL of any applicable Connection Fees, and/or capital contribution, and an inspection and approval by the *Electrical Safety Authority* of the *electrical service*. There is a separate *Distribution Services Agreement* for *residential service* and for *general service Customers*.

## 3. Implied Contract

In all cases, notwithstanding the absence of a written contract, KHECL has an implied contract with any *Customer* that is *connected* to KHECL's *distribution system* and receives *distribution services* from KHECL. The terms of the implied contract are embedded in KHECL's *Conditions of Service*, KHECL's rate schedules, KHECL's licence and the *Ontario Energy Board's Distribution System Code* and *Rate Handbook*, as amended from time to time.

Any *Person* who takes or uses *distribution services* from KHECL shall be liable for payment for such. Any implied contract for the supply of *distribution services* by KHECL shall be binding upon the heirs, administrators, executors, successors or assigns of the *Person* who took and/or used *distribution services* supplied by KHECL.

## 4. 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:

- construction sites
- residential subdivisions

- mobile facilities
- non-permanent structures
- special occasions, etc.
- generation

## 5. Payment by Owner

The owner of a *building* is responsible for paying for the supply of *distribution services* by KHECL to the owner's *building*, except for any supply of *distribution services* to the *building* by KHECL in accordance with a signed *Distribution Services Agreement* by a *Customer* of the *building*.

A *building* owner wishing to *disconnect* the supply of *distribution services* to its *building* must notify KHECL in writing. Until KHECL receives such written notice from the *building* owner, the *building* owner or the *Customer*, as applicable, shall be responsible for payment to KHECL for the supply of *distribution services* to such *building*. An *Ontario Energy Board* approved *rate* will apply for the *disconnection* of the *distribution services*. An *Electrical Safety Authority* inspection may be required, at the cost of the owner, before the *building* may be reconnected. KHECL may refuse to *disconnect* the supply of *distribution services* to an owner's *building* in special circumstances.

## 6. Opening and Closing of Accounts

A *Customer* who wishes to open or close an account for the supply of *distribution services* by KHECL shall contact KHECL.

A *Customer* who wishes to purchase services from a *retailer* must notify KHECL in accordance with the *Ontario Energy Board Retail Settlement Code* Section 10.5.3. Until KHECL receives such notice from the *Customer* or its authorized *retailer*, the *Customer* shall be responsible for payment to KHECL for the supply of *distribution services* to the *Customer*.

## 7. Contracts and Agreements

As outlined in KHECLCOS-500, Appendices, the following agreements and contracts are listed:

- **Appendix D** – Offer To Connect Template - Residential Subdivision
- **Appendix E (i)**– Offer To Connect - General Service
- **Appendix E (ii)**- Offer to Connect – Residential Service
- **Appendix I** - Distribution Services Agreement for Residential
- **Appendix J** - Distribution Services Agreement for General Service
- **Appendix K** - Embedded Generation Agreement - Connection Agreement (N/A at this time)
- **Appendix L** - Embedded Generation Agreement - MSP Agreement (N/A at this time)

- **Appendix M** - Unmetered Connections Agreement
- **Appendix N** - Service Agreement for a Retailer
- **Appendix R** - Equal Payment Plan (EPP)
- **Appendix U** - Pre-Authorized Payment Plan (PAP) Contract

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>  <b>Conditions of Service</b>	<b>Number:</b> KHECLCOS – 220 – 01  <b>Issue Date:</b> April, 2007
<b>Disconnection</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) may *disconnect* a *Customer* according to conditions contained in the:

- *Electricity Act, 1998, Section 30, 31, and 40 (5)*
- *Ontario Energy Board Distribution System Code:*  
3.1.2, 4.1.8, 4.2, 4.3.1, 4.4.7, 4.5.3, 5.1.1
- *Ontario Energy Board Retail Settlement Code:*  
7.1.2, 7.3.2, 7.5, 7.6
- *Ontario Energy Board Standard Supply Service Code:*  
2.5
- *Independent Electricity System Operator Market Rules*
- request by civil authorities
- any other conditions identified in these *Conditions of Service*
- any other laws and regulations

## 2. Disconnection

In accordance with the *Ontario Energy Board Distribution System Code* Section 4.2.6, KHECL reserves the right to *disconnect* for causes not limited to:

- Adverse effect on the reliability and safety of the *distribution system*.
- Imposition of an unsafe worker situation beyond normal risks inherent in the operation of the *distribution system*.
- A material decrease in the efficiency of KHECL's *distribution system*.
- A materially adverse effect on the quality of *distribution services* received by a *Customer*.
- Inability of KHECL to perform planned inspections and maintenance.
- Failure of the *Customer* to comply with a directive of KHECL that KHECL makes for purposes of meeting its licence obligations.
- Any other conditions identified in this *Conditions of Service* document.
- Failure of the customer to pay any invoices received from KHECL and/or the City of Kenora for services performed or energy used.
- Contravention of the laws of Canada or the Province of Ontario.

- Overdue amounts payable to KHECL as permitted by applicable legislation.
- Electrical disturbance propagation caused by *Customer* equipment that is not corrected in a timely fashion.

KHECL may *disconnect* a *Customer* without notice in accordance with a court order, or for emergency, safety or system reliability reasons.

### 3. Collections

#### Due Date

Payment of KHECL utility bills are due in full sixteen (16) calendar days from the date of mailing, or the first business day thereafter should the sixteenth day not fall on a business day.

#### Payment Date

Payment shall be deemed to be made on the date that it is received by KHECL, even where payment is made at a financial institution. However, the interest / late payment penalty will not be imposed until the third business day following the due date to allow a "grace period".

#### Payments Received

Any payments made on account shall be allocated first to any arrears and interest / penalty outstanding, and then to the current bill outstanding. The allocation between services shall be pro-rated based on the total outstanding by service in comparison with the total outstanding on the account.

#### Interest/Late Payment

Interest / late payment for both hydro and water / sewer shall be in accordance with the treatment and rates as approved by the *Ontario Energy Board (OEB)*.

#### Finalled Accounts

Where an account has been finalled for any reason and has an outstanding balance on the account, KHECL shall use every reasonable method available to it to ensure payment of the balance of the account.

#### Special Circumstances

KHECL will have discretion to limit rather than cut services through the use of load limiters or any other available means. While each circumstance must be evaluated separately, special consideration should be given for severe illness or death within the immediate family holding the account.

#### Returned Cheques

When a cheque is returned for non-sufficient funds, the cheque shall be subject to a return cheque fee. If the account is past due, the account shall be treated as a regular past due account.

Any instance of suspected fraud relating to a returned cheque shall be reported to the appropriate police authority.

Where a *customer* has had three (3) or more returned cheques within a one year period, KHECL shall refuse to take personal cheques from that *customer* and shall insist on either cash or some form of certified payment.

#### Payment Arrangements

Where an account has a deposit and / or arrears and deposit payment arrangement and the *customer* fails to meet their obligations under their payment arrangements, the account shall be immediately terminated for non-payment with no notice given to that *customer*. It shall be KHECL's responsibility to advise the *customer* upon agreement of any payment arrangements of the repercussions of failing to meet their payment arrangements.

#### Accounts in Arrears

KHECL accounts receivable are deemed to be in arrears when the following circumstances occur: (a) accounts for services, active or final billed are unpaid beyond the due date. (b) Miscellaneous accounts receivable (MAR) are unpaid beyond specified terms. (c) Security Deposits remain unpaid beyond the due date.

#### Arrears Notice

Twenty (20) calendar days after the billing date, or the first business day thereafter should the twentieth day not fall on a business day, which would be the fourth day following the billing due date (after the late payment penalty and/or interest have been levied), a Notice of Arrears shall be sent to all active accounts with a balance forward greater than fifteen (15) dollars. This arrears notice will indicate the outstanding balance including any penalty or interest levied.

#### Disconnect Notice

A *disconnect* notice will be sent out thirty (30) calendar days after the billing date to all outstanding accounts with an arrears balance exceeding either fifty dollars (\$50.00), or sixty (60) days in arrears, indicating that services will be terminated if payment of the arrears portion is not made on or before the due date. Along with the *disconnect* notice, a Fire Safety Notice of the Office of the Fire Marshall, and any other safety notice as required in compliance with the OEB DSC 4.2.1 and 4.2.1.1 will be sent.

#### Service Disconnection

For those accounts receiving disconnection letters, should the arrears balance of the bill not be paid in full on or before the date indicated on the disconnection letter, services will be terminated on that account.

Prior to service *disconnection* every reasonable effort will be made to contact the *customer* by phone to further notify them of the pending *disconnection*. Where the *customer* has a working telephone number that KHECL is aware of, KHECL shall

phone up to a maximum of three calls prior to *disconnection* or until verbal contact with the *customer* has been made, whichever comes first. Where KHECL is not aware of a working telephone number, it shall not be required to communicate the pending service *disconnection* by any means other than the formal disconnect letter already sent. KHECL is not responsible to maintain a list of working numbers outside of the KMTS service territory that is not readily available through the current phone book. In addition, KHECL is not responsible to maintain a list of alternate numbers, such as work phone numbers.

Ten (10) calendar days after the mailing date of the disconnect notice, if contact has not been made with the *customer* and the arrears have not been paid, service will be terminated.

Payment of the arrears must be made by the *customer* at KHECL. Employees of KHECL are not allowed to accept payment on behalf of the *customer* when at the *customer's* site to terminate service.

#### **4. Winter Disconnection**

##### Residential Accounts:

KHECL will *disconnect distribution services*, but subject to management discretion, during the months of November 1<sup>st</sup> to March 31<sup>st</sup>, residential *distribution services* may be restricted with the use of a load limiter or programmable timed interrupting device.

Where applicable and if possible, the landlord will be contacted and advised of the *disconnection*.

##### General Service Accounts:

May be *disconnected* in full at any time and the landlord notified where applicable and possible.

#### **5. Reconnection**

##### Service Reconnection

Where services have been terminated for non-payment, the *customer* shall be required to pay the account balance in full, including any applicable reconnection and / or collection charges, prior to reconnection.

Hydro/sewer/water accounts for which services have been terminated for non-payment must be treated as new accounts and accordingly will be required to supply KHECL with a deposit in accordance with the Appendix P Calculation of Deposit Requirements prior to reconnection of services.



Hours of Service Reconnection

Where services have been terminated for non-payment, services will only be reconnected during regular business hours for those employees performing the reconnection, after the provisions of this policy for service reconnection have been met.

After Hours Service Reconnection

Exceptions to the after hours service reconnection rule may be made at the discretion of the Billing & Collections Coordinator, (or in that person's absence, the Manager of Finance and Administration or the Manager's Designate). These exceptions will only be performed where the service reconnection criteria have been met and it is deemed that the account cannot wait until the following day for services to be restored. These exceptions must be supported by evidence that the continued service disconnection is life threatening or may result in serious harm to the occupants of the building in question.

**6. Retailer Customers**

No differentiation shall be made with respect to the application of this policy between standard supply *customers* or *retailer customers* who are billed either through distributor consolidated or split billing by the City.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 220 – 02
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Unauthorized Energy Use</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

*Energy* usage that is not recorded by a *Measurement Canada* approved meter, and/or where the *Person* using *energy* does not have a *Distribution Services Agreement* with Kenora Hydro Electric Corporation Ltd. (KHECL) is considered unauthorized *energy* usage. This includes, but not limited to, fraud, abuse, theft of power, and *energy diversion*.

## 2. Disconnection

KHECL reserves the right to *disconnect* any *Person*, or *Customer*, for causes, not limited to, *energy diversion*, fraud, or abuse on the part of the *Person* or *Customer*. Reconnection may not occur until the *Customer* or *Person* rectifies the condition and provides full payment to KHECL of estimated *energy* used, all costs incurred by KHECL arising from unauthorized *energy* use, including inspections, repair costs, agent fees, and the cost of *disconnection* and reconnection. Refer to KHECLCOS-240-03 Deposits.

## 3. Criminal Code

Unauthorized use of *energy* is a criminal offence, and the Ontario Provincial Police will be notified of all occurrences.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 230 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Limitations on the Guarantee of Supply</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) will endeavour to use reasonable diligence in providing a regular and uninterrupted supply of *energy*. KHECL does not guarantee a constant supply, or the maintenance of unvaried frequency or voltage, and will not be liable in damages to the *Customer* or the *Customer's* equipment by reason of any failure in respect thereof.

## 2. Customer Self Protection

*Customers* requiring a higher degree of security than that of *good utility practice* for *energy* supply are responsible to provide their own *emergency back-up* or standby facilities. *Customers* may require special protective equipment at their premises to minimize the effect of momentary *energy* interruptions. Refer to KHECLCOS-230-06 Backup Generation.

*Customers* requiring a three-phase supply should install protective apparatus to avoid damage to their equipment, which may be caused by the interruption of one phase, or non-simultaneous switching of phases of the KHECL's supply.

## 3. Emergency Disconnection

During an *emergency*, KHECL may interrupt *energy* supply to a *Customer* in response to a shortage of supply, or to effect repairs on the *distribution system*, or while repairs are being made to a *Customer-owned substation*.

KHECL shall have rights to have access to a *private property* in accordance with Section 40 of the *Electricity Act*.

To respond to a *distribution system emergency*, KHECL may require immediate access to a *Customer-owned substation*.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b> <b>Conditions of Service</b>	<b>Number:</b> KHECLCOS – 230 – 02
	<b>Issue Date:</b> April, 2007
<b>Power Quality</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) endeavors to supply continuous *energy* with no power quality problems. Policies and procedures have been developed to address these issues, including *supply voltage* guidelines and outage notification processes. This section outlines those policies and procedures, as well as indicating the process KHECL uses for handling voltage disturbances and power quality testing and remedial action.

This section includes conditions under which supply of *energy* to *Customers* may be interrupted, and may become unreliable or intermittent.

## 2. Power Quality Testing

In response to a *Customer* power quality concern, where the utilization of *energy* adversely affects the performance of electrical equipment, KHECL will perform an investigative analysis on their *distribution system* up to the *ownership demarcation point* to attempt to identify the underlying cause. Depending on the circumstances, this may include review of relevant power interruption data, trend analysis, and/or use of diagnostic measurement tools.

Upon determination of the cause resulting in the power quality concern, where it is deemed a *distribution system* delivery issue and where *good utility practice* are not met, KHECL will recommend and/or take appropriate mitigation measures. KHECL will endeavor to take appropriate actions to control power disturbances found to be detrimental to the *Customer*. If KHECL is unable to correct the problem without adversely affecting other KHECL *Customers*, then it is not obligated to make the corrections. KHECL will use appropriate industry standards (such as *Canadian Standards Association* or *IEEE* standards) and *good utility practice* as a guideline. If the problem lies on the *Customer* side of the *distribution system*, KHECL shall seek reimbursement from the *Customer* for the costs incurred in its investigation.

### 3. Prevention of Voltage Distortion on Distribution

*Customers* having a non-linear load shall not be connected to KHECL's *distribution system* unless power quality is maintained by implementing proper corrective measures such as installing proper filters, and/or grounding. Further, to ensure the *distribution system* is not adversely affected, power electronics equipment installed must comply with *IEEE* Standards. The limit on individual harmonic distortion is 3%, while the limit on total harmonic distortion is 5%.

### 4. Obligation to Help in the Investigation

If KHECL determines the *Customer's* equipment may be the source causing unacceptable harmonics, voltage flicker or voltage level on KHECL's *distribution system*, the *Customer* is obligated to help KHECL by providing required equipment information, relevant data and necessary access for monitoring the equipment.

### 5. Timely Correction of Deficiencies

If an undesirable *distribution system* disturbance is being caused by the *Customer's* equipment, the *Customer* will be required to cease operation of the equipment until satisfactory remedial action has been taken by the *Customer* at the *Customer's* cost. If the *Customer* does not take such action within a reasonable time, KHECL may *disconnect* the supply of *energy* to the *Customer*.

### 6. Notification for Interruptions

Although it is KHECL's policy to minimize inconvenience to *Customers*, it is necessary to occasionally interrupt a *Customer's* supply of *energy* to maintain or improve the *distribution system*, or to provide new or upgraded services to other *Customers*. KHECL will endeavor to provide the *Customer* with reasonable advance notice of planned *energy* interruptions. Notice may not be given where work is of an *emergency* nature, involving the possibility of injury to *Persons* or damage to property or equipment.

However, during an *emergency*, KHECL may interrupt supply of *energy* to a *Customer* in response to a shortage of supply of *energy* or to effect repairs on KHECL's *distribution system* or while repairs are being made to a *Customer-owned substation*.

### 7. Notification to Customers on Life Support

*Customers* who require an uninterrupted source of *energy* for life support equipment must provide their own *emergency backup* equipment for these purposes. *Customers* with life support systems are encouraged to inform KHECL of their medical needs and their available *emergency backup*. These *Customers* are responsible for ensuring that the medical information they provide KHECL is

accurate and up-to-date. This information is maintained in KHECL's Customer Information System and supplied to the Operations Department.

With planned interruptions, the same procedure as prescribed in Section 6 above will be observed. For those unplanned *energy* interruptions that extend beyond six hours and the time expected to restore the supply of *energy* is longer than what was indicated by *Customers* (registered on life support) as their available *emergency backup*, KHECL will endeavour to contact these *Customers* but will not be liable in any manner to the *Customer* for failure to do so.

## **8. Emergency Interruptions for Safety**

KHECL will endeavour to notify *Customers* prior to interrupting the supply of *energy*. However, if an unsafe or hazardous condition is found to exist, or if the use of *energy* by apparatus, appliances, or other equipment is found to be unsafe or damaging to KHECL's *distribution system* or any other *Person*, the supply of *energy* may be interrupted without notice.

## **9. Emergency Service (Trouble Calls)**

KHECL will exercise reasonable diligence and care to deliver a continuous supply of *energy* to the *Customer*. However, KHECL cannot guarantee a supply of *energy* that is free from interruption.

When *energy* is interrupted, the *Customer* should first ensure that their failure is not due to the opening of a *Customer*-owned protective device such as a fuse or breaker operating within their installation. If there is a partial power failure, the *Customer* should obtain the services of an electrical contractor to carry out necessary repairs. If, on examination, it appears that KHECL's main source of supply of *energy* has failed, the *Customer* should report these conditions at once to KHECL by calling the 24 hour phone number outlined in KHECLCOS-500 Appendix A, Corporate Contacts.

KHECL operates a trouble-call response, 24 hours a day, seven days a week, to provide service to *Customers*. KHECL will initiate restoration efforts as rapidly as practicable.

## **10. Outage Reporting**

Depending on the outage, duration and the number of *Customers* affected, KHECL may issue a news release to advise the general public of the outage. In turn, news radio stations may call for information on a 24 hour basis when they hear of an outage.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b> <b>Conditions of Service</b> <b>Electrical Disturbances</b>	<b>Number:</b>	KHECLCOS – 230 – 03
	<b>Issue Date:</b>	April, 2007
	<b>Review Date:</b>	March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL), and the *Customers* on their *distribution system*, should expect electrical disturbances from time-to-time. Guidelines that should be adhered to are outlined in this section.

## 2. Force Majeure

KHECL shall not be held liable for the failure to maintain *supply voltages* within standard levels due to Force Majeure as defined below.

KHECL shall practice reasonable diligence in maintaining *supply 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 *host distributor*. KHECL shall not be liable for any delay or failure in the performance of any of its obligations under this *Conditions of Service* due to any events or causes beyond the reasonable control of KHECL, including, without limitation, severe weather, flood, fire, lightning, other forces of nature, acts of animals, equipment failure, third party damage to KHECL's *distribution system*, 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 or regulatory authority, or any combination of these causes.

## 3. Consumer Responsibilities

Voltage fluctuations and other disturbances can cause flickering of lights and other serious difficulties for *Customers connected* to KHECL's *distribution system*. *Customers* must ensure that their equipment does not cause any disturbances such as harmonics and spikes that might interfere with the operation of adjacent *Customer* equipment. Equipment that may cause disturbances includes large motors, welders and variable speed drives, etc. In planning the installation of such equipment, the *Customer* must consult with KHECL.

Some types of electronic equipment, such as video display terminals, can be affected by the close proximity of high electrical currents that may be present in

*transformer rooms*. KHECL may assist in attempting to resolve any such difficulties at the *Customer's* expense.

*Customers* who may require an uninterrupted source of *energy* supply, or a supply completely free from fluctuation and disturbance, must provide their own power conditioning equipment for these purposes.

----- End of Document -----



<b>Kenora Hydro Electric Corporation Ltd.</b>  <b>Conditions of Service</b> <b>Standard Voltage Offerings</b>	<b>Number:</b>	KHECLCOS – 230 – 04
	<b>Issue Date:</b>	April, 2007
	<b>Review Date:</b>	March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) provides various voltages to *Customers* based on their supply requirements and availability. This section outlines both the primary and secondary voltages that are available.

## 2. Primary Voltage

The primary voltage to be used will be determined by KHECL for both KHECL owned and *Customer-owned substations*. The primary voltage will be 12,470V/7,200V, grounded wye, three phase, four-wire system.

## 3. Secondary Voltage

Secondary voltages will normally be 120/240V single phase, 120/208V three phase, **or** 600/347V, three phase.

## 4. Limit of Supply

The actual voltage to be used governs the limit of supply capacity for any *Customer*.

### 12.5 KV Distribution System - Overhead

General guidelines for supply from existing 12.5 KV overhead street circuits are as follows:

- (i) 120/240V, single phase, up to 75 kVA *demand* load, or
- (ii) 600/347V, three phase, four wire up to 80 kVA *demand* load, or
- (iii) at both 120/240V, single phase, and 600/347V, three phase, up to 100 kVA sum total *demand* load, or
- (iv) 208/120V, three phase, up to 100 kVA *demand* load,

New or upgraded *electrical services* that cannot be adequately serviced from existing overhead transformer banks must be serviced underground.

12.5 KV Distribution System – Underground (Site Specific)

Where a site specific transformer exist or is planned on *private property*;

- (i) 120/240V, single phase, supply is available up to 167 kVA *demand* load, or
- (ii) 208/120V, three phase, four wire, supply is available for loads up to 500 kVA *demand* load, or
- (iii) 600/347V, three-phase, four-wire, supply is available for loads up to 500 kVA *demand* load,

12.5 KV Distribution System – Underground (Public Property)

Where a transformer for common servicing is located on public property, 120/240V, single phase, supply is available up to 100 kVA *demand* load.

12.5 KV Distribution System > 500kVA

Services rated at greater than 500 kVA *demand* load and less than 10 MVA may require a 12.5KV *Customer-owned substation*.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 230 – 05
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Voltage Guidelines</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) endeavours to supply a constant, stable *supply voltage* from its *distribution system*. The *Canadian Standards Association (CSA)* provides guidelines for *supply voltage* variation limits.

## 2. Voltage Criteria

KHECL maintains *supply voltage* at the *Customer's* service entrance within the guidelines of CSA Standard CAN3-C235-83 (latest edition) Table 3, which allows variations from nominal voltage of:

Nominal Voltage	Voltage Variation Limits			
	Extreme Conditions	Normal Conditions		Extreme Conditions
<b>Single Phase</b>				
120/240	106/212	110/220	125/250	127/254
240	212	220	250	254
480	424	440	500	508
600	530	550	625	635
<b>Three Phase 4w</b>				
120/208	110/190	112/194	125/216	127/220
240/416	220/380	224/388	250/432	254/440
277/480	245/424	254/440	288/500	293/508
347/600	306/530	318/550	360/625	367/635
<b>Three Phase 3w</b>				
240	212	220	250	254
480	424	440	500	508
600	530	550	625	635

Where *supply 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. Where *supply voltages* lie outside the indicated limits for *extreme operating conditions*, improvement or corrective action should be taken as soon as practical. The urgency for such action will depend on many factors such as the location and nature of load or circuit involved, the extent to which limits are exceeded with respect to *supply voltage* levels and duration, etc.

KHECL shall practice reasonable diligence in maintaining *supply 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*. KHECL shall not be liable for any delay or failure in the performance of any of its obligations under this *Conditions of Service* document due to any events or causes beyond the reasonable control of KHECL, including, without limitation, items indicated in the Force Majeure defined in KHECLCOS-230-03, Electrical Disturbances.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 230 – 06
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Back-up Generators</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

*Customers* who install a portable or permanent *emergency back-up generation facility* have obligations to the *Ontario Electrical Safety Code* and the *Electrical Safety Authority*. These *emergency back-up generation facilities* must be installed to guarantee there can be no back-feeds into Kenora Hydro Electric Corporation Ltd.'s (KHECL) *distribution system*.

## 2. Ontario Electrical Safety Code

Any *Customer's emergency back-up generation facility* cannot be installed in a manner which would adversely affect KHECL's *distribution system*. *Customers* with a portable or permanently connected *emergency back-up generation facility* shall comply with all applicable criteria of the *Ontario Electrical Safety Code*. In particular, the *Customer* shall ensure that the *Customer's emergency back-up generation facility* does not parallel with KHECL's *distribution system*, nor back-feed into it. There shall be proper interface protection between the *Customer's* electrical circuits and KHECL's *distribution system*.

## 3. Notification

*Customers* with permanently connected *emergency back-up generation facility* shall notify KHECL regarding the presence of such equipment.

## 4. Personnel Safety

This *Conditions of Service* is critical to the safety of KHECL employees, contractors and agents. All *Customers* must stringently comply with them.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 230 – 07
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Metering</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Metering requirements are as required in Section 5 of the *Distribution System Code and the Retail Settlement Code*, and any further requirements specified by Kenora Hydro Electric Corporation Ltd. (KHECL).

## 2. General

Refer to KHECL "Engineering Specifications".

See KHECLCOS-350-01 Embedded Generation for details regarding Net Metering generation.

## 3. Instrument Transformers

Refer to KHECL "Engineering Specifications".

## 4. Metering

### 4.1 Interval Metering

#### 4.1.1 Installation

An *interval meter* will be installed on *electrical services* under the following conditions:

- a) The annual average peak *demand* by the *Customer* is greater than 1000 KW:

KHECL will identify those *Customers*, which meet this criterion and provide notification to them. The notification will consist of a letter explaining the requirement for an *interval meter* under the pertinent *Ontario Energy Board Codes* and guidelines, an estimate of the cost of the installation, the *meter*

*installation* requirements and a time frame for completing the installation.

- b) New services with a forecasted annual average monthly peak *demand* greater than 500 KW:

The requirement for an *interval meter* will be identified in the *Distribution Services Agreement* with the *Customer* and will include an explanation of the requirement, an estimate of the cost of the installation, and the *meter installation* requirements.

- c) At the request of the *Customer*:

The *Customer* is to contact the Metering Services Department of KHECL in writing with the request for the installation of an *interval meter*. KHECL will respond with the *meter installation* requirements and an estimate of the costs of the installation. Upon confirmation by the *Customer* that the installation is to proceed, the *Customer* shall make the communications link described in Section 4.1.2 available before KHECL will commence any work on the installation.

#### **4.1.2 Metering Equipment**

In addition to the requirements contained in Sections 2 and 3, *interval meter installations* will require the provision of an active communications link at the metering cabinet prior to the installation of the metering equipment. The link shall be a dedicated communications line. The *customer* will be responsible for the installation, maintenance, and ongoing monthly costs of the communication line.

Existing *meter installations* being retrofitted with an *interval meter* may require upgrading of related metering equipment including the current or potential transformers. In these cases, the *interval meter* will not be installed until the required upgrades are complete.

#### **4.1.3 Costs and Payment**

Upon receipt of the costing for the *meter installation*, the *Customer* will remit this amount to KHECL prior to the installation of the metering equipment.

Costs associated with maintaining the *meter installation*, excluding costs that are the responsibility of the *Customer* as expressly provided for elsewhere in KHECL's *Conditions of Service* will be the responsibility of KHECL.

## **4.2 Non-Interval Metering**

KHECL shall provide, install and maintain, at its expense, a *meter installation* for retail settlement billing purposes for each *Customer* connected to KHECL's *distribution system*.

## **5. Meter Reading**

### **5.1 Interval Meters**

#### **5.1.1 Meter Reading Schedule**

*Interval meters* are interrogated each business day.

#### **5.1.2 Access to Meter Data**

*Interval meter* data, is typically posted on the KHECL Interval Meter Data internet site the next business day after the meter is interrogated. Access to the data is through the use of a secure personal identification number (PIN) issued by KHECL. *Customer* access to *interval meter* data shall be in compliance with the *Retail Settlement Code* Section 5.2.

*Customers* who are *interval metered* and have enrolled with a *retailer* will have their *interval meter* data sent to the appropriate *retailer* via the Ontario Retail Settlement Electronic Business Transaction System in accordance with the *Ontario Energy Board's Retail Settlement Code*.

### **5.2 Non – Interval Meters**

#### **5.2.1 Meter Reading Schedule**

Non-interval meters are read on a minimum bi-monthly cycle. The Customer Service Department prepares an annual schedule of meter reading that averages a 30 or 60 day read cycle.



Under normal circumstances, *general service Customers* over 50kW meter readings will not be estimated.

The meter reading schedule is updated on a bi-monthly basis to reflect any deviations and their reason.

#### **5.2.2 Missed and Unobtainable Reads**

A report shall be prepared for each reading cycle, of all accounts which have been estimated three or more times in a row. Field staff may attempt reading these accounts prior to the next scheduled read date. All obtained readings and reading notes on access for future reads will be entered into the meter reading handheld data recorder. Appointments will be made with customers in an attempt to obtain a regular reading. KHECL must take an accurate reading and check its equipment at least once a year.

#### **5.2.3 Access to Meter Data**

*Customers* who have enrolled with a *retailer* will have their data sent to the appropriate *retailer* via the Ontario Retail Settlement Electronic Business Transaction System in accordance with the *Ontario Energy Board's Retail Settlement Code*.

Meter data will be posted on the KHECL internet site the business day after the billing date for which the data is valid. Access to the data is through the use of a secure personal identification number (PIN) issued by KHECL.

### **6. Final Meter Reading**

#### **6.1 Termination of Contract for Distribution Service**

KHECL conducts final meter readings at the request of a *Customer*. The meter will be read on the termination date requested, or the next business day. *Customers* must give two weeks notice for a final meter reading. *Customers* that move out of a *building* are liable for the service until notification is given and a meter reading has been made.

#### **6.2 Switch to Retailer Supply or Switch in Retailer Supply**

In all cases, the final read date will be the next scheduled read date following the end of any contest or blackout periods as described in the *Retail Settlement Code* for *Customer* enrollment with a *retailer*.

### **6.3 Return to Standard Supply Service**

In all cases, the final read date will be the next scheduled read date following the end of any blackout periods as described in the *Retail Settlement Code*.

## **7. Faulty Registration of Meters**

Revenue metering data shall be checked for reasonableness by KHECL before being passed on to the settlement system. If the data does not satisfy preset validation criteria, a trouble call shall be issued to resolve any potential measurement problems and estimated data shall be provisionally substituted for the suspect data until the trouble call is resolved.

If resolution of the trouble call confirms a problem with the revenue metering, the estimated data shall be edited as required then passed on to the rest of the settlement process.

If the revenue metering data is confirmed to be correct, the estimate shall be manually undone. On other occasions the data may have to be manually adjusted for other reasons.

### **7.1 Interval Meters**

This section applies to revenue metering data collected by the MV90 data collection system used by the Contractor providing KHECL *interval meter* reading services for use in settlement of retail transactions in KHECL's licenced service area.

The meter in any of these installations transmits the data to be validated. The general methodology for validating the data is by comparing it to data previously gathered. Data previously gathered is often referred to as historical data.

When metering data fails validation, KHECL must estimate and fill the resulting gap. If a *Customer* is unsatisfied with the estimate produced by KHECL, the *Customer* is required to participate in KHECL's meter data dispute resolution process. If still not satisfied, the *Customer* has the right to ask *Measurement Canada* to resolve the dispute.

The validation criteria are based on the historical load pattern and alarms from the meter.

#### **7.1.1 Validation Requirements**

KHECL will comply with the *DSC* and *RSC* for validation of data collected from the meter.

## **7.1.2 Estimating**

Should validation indicate that data from the meter might be incorrect, the Metering Services Department will prepare a provisional estimate. The estimate shall be prepared based on the historical load pattern.

### **7.1.2.1 Gaps One Hour or Less**

The data in channels 1, 2, 3, and 4 shall be estimated using linear interpolation. A straight line, joining the *demand* reading at the beginning of the interval to the *demand* reading at the end of the interval, shall be used to estimate the *demands* in the intervening intervals.

### **7.1.2.2 Gaps Over One Hour**

The gap will have a start and stop time and a day type: weekday, weekend, and holiday. The *energy* data for the three previous comparable periods (start and stop times and day type match) shall be compared.

If the meter has not been installed long enough, three comparable periods may not be found. In this case, KHECL shall contact the *Customer* for information upon which an estimate may be based.

If the installation is a *Customer's*, the maximum *energy* shall be used as the basis of standard MV90 load shape scaling.

Where a *generation facility* is lacking alternate or check metering, the minimum *energy* shall be used as the basis of standard MV90 load shape scaling if the *Customer* can prove that the *generator* was in production during the period. Otherwise the estimate shall be zero.

## **7.1.3 Editing**

### **7.1.3.1 Background**

Manual substitution and scaling routines shall be used for editing. Editing may be required when the trouble call process determines the cause and resolution of the problem.

Occasionally a *meter installation*, even though it is otherwise operating normally, may provide incorrect data owing to events such as power system switching or

application of mobile *emergency back-up*. Manual editing would then be required to revise the incorrect data.

#### **7.1.3.2 No Reliable Data Available**

If the data from the meter is incorrect or unobtainable, KHECL's Metering Services Department shall either:

- a) Provide an adjustment factor that truly reflects the actual transaction, or
- b) Ask the Customer Service Department to prepare an estimate based on historical data.

The submission of an adjustment shall consist of;

- i) A multiplier; and/or an optional additive constant;
- ii) The specific period to which the adjustment applies; and
- iii) Documentation supporting the adjustment.

KHECL shall retain the documentation of the adjustment to support audit requests that may be initiated by the *Customer*.

#### **7.1.3.3 Problem Repaired**

If the Metering Services Department is able to repair the problem while on site, and chooses to submit an adjustment, the adjustment shall be based on "as-found" and "as-left" readings.

The adjustment factor shall be confirmed by comparison with an independent measurement made or available on site, such as panel metering, SCADA, performance metering, cross phase readings taken from test links supplied by protective relaying instrument transformers, or a primary clip-on ammeter reading.

#### **7.1.3.4 Problem Not Yet Repaired**

If the problem will be resolved within time lines specified in the *Ontario Energy Board's Retail Settlement Code* and data can still be obtained from the main, the Meter Department may provide an adjustment factor to be applied to the metering data collected.

The Metering Services Department, shall approve all edit adjustments.

## **7.2 Non-Interval Meters**

This section applies to revenue metering data collected by the data collection system used in the settlement of retail transactions in KHECL's licenced *service area*.

The meter in any of these installations is manually read and the data is entered into a data recorder and is validated. A request read file is generated in the utility billing system for the cycle reads to be obtained. Once the cycle reads have been obtained and validated, a read data file is created to return the meter reading data to the utility billing system. The general methodology for validating the data is by comparing it to data previously gathered.

The data is also validated by the CIS billing system when it is uploaded from the Itron system.

When metering data fails validation, KHECL must estimate and fill the resulting gap. If a *Customer* is unsatisfied with the estimate produced by KHECL, the *Customer* is required to participate in KHECL's meter data dispute resolution process. If still not satisfied, the *Customer* has the right to ask *Measurement Canada* to resolve the dispute.

The validation criteria are based on the historical load pattern.

### **7.2.1 Validation Requirements**

KHECL will comply with the *DSC* and *RSC* for validation of data collected from the meter.

### **7.2.2 Estimating & Editing**

Should validation indicate that data from the meter might be incorrect, a provisional estimate shall be prepared. The estimate shall be prepared based on the historical load pattern.

## **8. Meter Data Dispute Resolution**

### **8.1 Meter Data Complaints**

Upon receiving a high bill complaint, the *Customer's* account is to be reviewed by a Customer Service Representative to identify the areas of concern. Should reviewing the existing billing history fail to resolve the problem to the *Customer's* satisfaction, a trouble call will be issued.

A *residential service Customer* may have the option of having a check meter installed in series with the existing meter depending on their service configuration. The Meter Technician will review the findings and report them to the Consumer Service Representative for discussion with the *Customer*.

## 8.2 Dispute Testing

Should a *Customer* be dissatisfied with the results of the metering data complaints resolution process, the meter can be removed and sent to *Measurement Canada* for dispute testing. The dispute test is subject to a service charge as detailed in KHECL's schedule of approved rates and charges. The *Customer* will be contacted by *Measurement Canada* and informed of the time, location and date of testing. A Government Inspector will conduct testing and the results forwarded directly to the *Customer*. The *Customer* has 60 days to appeal the results of the test.

Installations containing current or voltage transformers must be tested by *Measurement Canada* on site (known as 'in-situ testing') prior to KHECL personnel removing the meter. Once the in-situ test has been completed, the meter can be removed and sent to *Measurement Canada* for testing. The *Customer* will be notified of the time, location and date of the test and will be forwarded the results directly.

Following a test, meters with correct registration returned to KHECL will not be placed in services until the end of the 60-day *Customer* appeal period.

In the event a meter fails testing, the service charge will be waived and a billing adjustment will be prepared by KHECL and sent to *Measurement Canada* for approval prior to adjusting the *Customer's* account.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 240 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Tariffs and Charges Service Connection</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Charges for *connection* and *distribution services* are made as set out in the Schedule of Rates available from Kenora Hydro Electric Corporation Ltd. (KHECL) and/or elsewhere in these *Conditions of Service*. The Schedule of *Ontario Energy Board* Approved Rates is shown in Appendix "O", Schedule of Rates and Charges. Any revisions to *OEB* approved *rates* shall be published in major local newspapers. Other *rate* changes may be provided by published notice at the direction of the *OEB*. Information about changes may also be mailed to all *Customers* with the first billing issued at revised *rates*.

## 2. Consumers Switching to Retailer

There are no physical *distribution system* differences between *Standard Supply Service (SSS) Customers* and third party *retailers'* customers for delivery of energy supply. *Customer energy* supplies are delivered through KHECL with the same *distribution system*. Therefore, all *electrical service* requirements applicable to the *SSS Customers* are applicable to third party *retailers'* customers. Basic and Variable Connection Fees are outlined in KHECLCOS-500, Appendix C, Connection Fees.

## 3. Service Deposits and Agreements

Where an *Applicant* proposes the development of premises that require KHECL to place orders for equipment for a specific project and before actual construction begins, the *Applicant* is required to sign the necessary *Distribution Service Agreement* and furnish a suitable deposit before such equipment is ordered by KHECL.

An irrevocable (standby) letter of credit or a letter of guarantee from a chartered bank, trust company or credit union is acceptable in lieu of a cash deposit.

## 4. Billing Demand

Where a *Customer's* metered *demand* exceeds 50kW, the billing *demand* shall be the greater of the monthly maximum measured kilowatt (kW) demand or 90% of the

monthly maximum measured kilovolt-ampere (kVa) *demand*. Anywhere *demand* is stated, billing demand is to be interpreted.

A *general service customer's* average 12 month billing *demand*, reviewed at the end of each year, will be the basis for determining the *Customer's* rate class or subclass.

----- End of Document -----



<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 240 – 02
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Tariffs and Charges Energy Supply</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

The *Ontario Energy Board's (OEB) Retail Settlement Code* and *Standard Supply Service Code* lay out rules and regulations for providing *energy*. This Section outlines the Kenora Hydro Electric Corporation Ltd. (KHECL) processes for various types of *energy* supply.

## 2. Standard Service Supply

All existing KHECL *Customers* are *Standard Supply Service (SSS) Customers* until KHECL is informed and they are switched to a third party *retailer*. The *Customer* or the *Customer's* authorized *retailer* must make a Service Transfer Request (STR). All OEB approved *rates* for *energy* supply to SSS *Customers* are listed in Appendix "O" Schedule of Rates and Charges.

## 3. Retailer Supply

*Customers* transferring from SSS to a third party *retailer* shall comply with the STR requirements as outlined in 10.5 through 10.5.6 of the *Retail Settlement Code*.

All requests shall be submitted as electronic file and transmitted through the Ontario Retail Settlement Electronic Business Transaction System. The STR shall contain information as set out in section 10.3 of the *Retail Settlement Code*.

If the information is incomplete, KHECL shall notify the submitting party about the specific deficiencies and await a reply before proceeding to process the transfer.

All OEB approved *rates* for the administration of the delivery of *energy* to *retailer* customers are listed in Appendix "O", Schedule of Rates and Charges.

#### **4. Wheeling of Energy**

All *Persons* considering delivery of *energy* through, but not into, KHECL's *distribution system* are required to contact KHECL for technical requirements, applicable tariffs, and *Settlement Agreement*.

#### **5. Billing Demand**

Where a *Customer's* metered *demand* exceeds 50kW, the billing *demand* shall be the greater of the monthly maximum measured kilowatt (kW) demand or 90% of the monthly maximum measured kilovolt-ampere (kVa) *demand*. Anywhere *demand* is stated, billing demand is to be interpreted.

A *general service customer's* average 12 month billing *demand*, reviewed at the end of each year, will be the basis for determining the *Customer's* rate class or subclass.

----- End of Document -----

<p><b>Kenora Hydro Electric Corporation Ltd.</b></p> <p><b>Conditions of Service</b></p>	<p><b>Number:</b> KHECLCOS – 240 – 03</p> <p><b>Issue Date:</b> April, 2007</p> <p><b>Review Date:</b> March, 2008</p>
<p><b>Security Deposits</b></p>	

**1. Preamble:**

Subject to Section 2.4 of the *Ontario Energy Board Distribution System Code*, a *distributor* may use any risk mitigation options available under law to manage *Customer* non-payment risk. A *distributor* shall not discriminate among *Customers* with similar risk profiles or risk related factors, except where expressly permitted under the *OEB DSC*.

**2. Policy:**

- 2.1 Any existing *Customer* who does not have a good payment history with Kenora Hydro Electric Corporation Ltd. (KHECL) will be required to pay a *security deposit*. Good payment history is defined in Section 7 below.
- 2.2 All *residential service* and *general service Customers* returned to *Standard Supply Service* due to payment defaults to *retailers* or settlement payment default by a *retailer* will be required to pay a *security deposit* to KHECL.

**3. Administration of Security Deposits:**

- 3.1 *Customer security deposits* shall be reviewed at least once in a calendar year to determine if an adjustment is required. If the *security deposit* is to be adjusted upward, the additional amount is required when the *Customer's* next bill comes due.
- 3.2 *Security deposits* may be refunded upon request, after one year, providing the *Customer* has established a good payment history in accordance with Section 7.
- 3.3 All amounts held on deposit will be applied to the final bill on termination of distribution services.

- 3.4 *Security deposits* shall be requested in writing to the *Customer* advising the amount and the specific reasons for requiring the *security deposit*.
- 3.5 In the case of a *Customer* in a >5000Kw billing *demand* rate class, where a good payment history has been established, only 50% of the *security deposit* will be returned.
- 3.6 Acceptable forms of deposit payment are cash, cheque, VISA credit card, debit card, money order, or an automatically renewing irrevocable letter of credit from a bank as defined in the Bank Act, 1991, c.46.
- 3.7 *Security deposits* shall be collected in up to four equal monthly installment payments.
- 3.8 *Security deposits* will be subject to normal collection procedures, including *disconnection*

#### 4. Amount of Deposit:

##### 4.1 Consumers On Standard Supply Service

###### 4.1.1 Residential Consumers:

- 4.1.1.1 *Residential service Customer security deposits* will be based on two and a half times average monthly usage during the most recent twelve consecutive months within the past two years, times *distribution services rates* and *wholesale settlement rates*. If twelve consecutive months history is not available, it will be based on a reasonable estimate by KHECL.
- 4.1.1.2 When a *Customer* has a payment history which discloses more than one disconnection notice in a relevant twelve month period, the highest actual usage will be used.
- 4.1.1.3 The amounts for *distribution services rates* and *wholesale settlement rates* to be used in calculating the deposit are given in KHECLCOS-500 Appendix "P", The Calculation of Deposit Requirements.

- 4.1.1.4 *Customers* who join the Pre-Authorized Payment Plans offered by KHECL may have their *security deposit* amounts reduced by 1/3 of the requested amount.

4.1.2 General Service Consumers:

- 4.1.2.1 Same as *residential service Customers* 4.1.1.1 above.

- 4.1.2.2 For *Customers* in rate class >50Kw who have a credit rating from a recognized credit rating agency, the maximum amount of the *security deposit* will be reduced according to the following table:

<u>Credit Rating (or equivalent)</u>	<u>Equifax Equivalent</u>	<u>Allowable Reduction in Deposit</u>
AAA- and above	<10	100%
AA-, AA, AA+		95%
A-, A, A+		85%
BBB-, BBB, BBB+	10 - 19	75%
Below BBB-	>19	0%

- 4.1.2.3 Other *security deposits* will be calculated in accordance with KHECLCOS-500 Appendix "P", The Calculation of Deposit Requirements.

- 4.1.2.4 *Customers* who join the Pre-Authorized Payment Plans offered by KHECL may have their *security deposit* amounts reduced by 1/3 of the requested amount.

4.2 Consumers On Choice With Retailer  
Distributor Consolidated Billing

The amount of *security deposit* for both *residential service* and *general service Customers* will be calculated as in Section 4.1

4.3 Consumers On Choice With Retailer  
Retailer Consolidated Billing

No *security deposit* shall be taken from the *Customer*.

## 5. Interest on Deposits:

### 5.1 Security Deposits:

Interest is based on Bank of Canada prime rate less 2.0% and will accrue monthly. The interest rate will be updated at least quarterly and apply only to cash or cheque *security deposits*, upon receipt of total *security deposit*. The calculated interest will be refunded annually and credited to the first billing of the year.

## 6. Exemptions:

- 6.1 Federal, Provincial, and Municipal Governments shall be exempt from the *security deposit* requirement.
- 6.2 *Customers* who have previously established a good payment history with KHECL will be exempt from the *security deposit* requirement.
- 6.3 A Letter of Reference of a good payment history for *Customers* will be acceptable from other Canadian electricity or gas *distributors*.
- 6.4 Proof of satisfactory credit history from an Ontario based credit agency. This will be arranged through KHECL at the *Customer's* cost.
- 6.5 A declared *Customer* that is a corporation within the meaning of the *Condominium Act, 1998* who has an account with a distributor that:  
(a) relates to a property defined in the *Condominium Act, 1998* and comprised predominantly of units that are used for residential purposes; and (b) relates to more than one unit in the property, shall be deemed to be a residential *Customer* for the purposes of sections 2.4.9 and 2.4.18 of the *DSC*.

## 7. Good Payment History

- 7.1 A *Customer* is deemed to have good payment history unless:
  - more than one preauthorized payment has been returned,
  - more than one returned cheque for insufficient funds,
  - they had a disconnection/collect trip, or
  - more than one disconnection notice has been issued.
- 7.2 The time period for determining a good payment history is:
  - One year for *residential service Customers*
  - Five years for a *general service Customers* in a <50Kw demand rate class

- Seven years for all other *Customers*
- The most recent period of time, with some of it in the previous 24 months

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 240 – 04
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Tariffs and Charges Billing</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) has established a billing method and billing cycles to provide *Customers* with *distribution services* through *Standard Supply Service* or through a third party *retailer*, per the rules and regulations laid out in the *Ontario Energy Board's Retail Settlement Code (OEB RSC)*.

## 2. Billing Cycle

KHECL issues bills to its *Customers* on a monthly basis. Regular and estimated (if required) billings for the use of *energy* and *distribution services* will be based on either a metered rate, or a flat rate, as determined by KHECL.

Metered *Customers* have their meters read once per month at a previously determined schedule.

All *interval metered Customers* are read daily and billed on a calendar month.

The remaining *Customers* are divided into billing cycles and each cycle is read and billed at roughly the same time each month.

## 3. Settlement Costs

The competitive, and non-competitive, settlement costs are calculated according to the *RSC* Sections 3 and 4. The settlement options, as outlined in Section 7 of the *RSC* are: retailer consolidated billing, distributor consolidated billing, split billing (when determined by the *OEB*), and *Standard Supply Service* billing.

## 4. Aggregated Billing

KHECL will not provide aggregated billing.



## 5. Disputes

The *Customer* may dispute charges shown on the *Customer's* bill, or other matters, by contacting and advising KHECL of the reason for the dispute. KHECL will promptly investigate all disputes and advise the *Customer* of the results. See KHECLCOS-500 Appendix "H" Metering and Billing Disputes Policy. For formal disputes, the dispute process outlined in KHECLCOS 180 – 00 will be followed.

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<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 240 – 05
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Tariffs and Charges Payments</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Kenora Hydro Electric Corporation Ltd. (KHECL) has established payment methods to provide the *Customer* with *distribution services*, and *wholesale settlement costs* through *Standard Supply Service*, or through a third party *retailer* as per the rules and regulations laid out in the *Ontario Energy Board's (OEB) Retail Settlements Code (RSC)*.

## 2. Payments and Late Payment Charges

Bills are rendered for *distribution services*, and *wholesale settlement costs* to the *Customer* on a monthly basis. Bills are payable in full by the due date, otherwise, overdue interest will apply. Interest will be applied per month at the *rate* stated in KHECLCOS-500, Appendix "O", Schedule of Rates and Charges. Where a partial payment has been made by the *Customer* on or before the due date, the interest charge will apply only to the amount of the bill outstanding on the due date. In the event of partial payment by a *Customer*, payments shall be allocated to the *wholesale settlement costs* first, and then to *distribution services* costs.

Payments will be accepted in the form of legal tender as defined in the Currency Act, Chapter C-52 (Canada), in the currency of Canada, a personal or business cheque or direct deposit through a bank listed in Schedule I or II of the Bank Act (Canada), Visa credit card, debit card, or money order.

KHECL also offers an Equal Payment Plan that allows *Customers* to normally pay the same amount over eleven months, with reconciliation in the twelfth month. See *Conditions of Service* Section KHECLCOS-310-01, Consumer Specific - Residential for details of this plan.

Outstanding bills are subject to the collection process and may ultimately lead to *disconnection of distribution services*. *Distribution services* will be restored once satisfactory payment has been made. *Disconnection of distribution services* does not relieve the *Customer* of the liability for arrears. KHECL shall not be liable for any damage on the *Customer's* premises resulting from such *disconnection* of

*distribution services*. A *disconnect/reconnect* charge will apply where the service has been *disconnected* due to non-payment. Reference *OEB* approved charges for collection notices and *disconnect/reconnect* in KHECLCOS-500, Appendix "O", Schedule of Rates and Charges.

### 3. Pre-Authorized Payment

KHECL also offers a Pre-Authorized Payment (PAP) plan. The PAP plan allows *Customer* payments to be automatically withdrawn from the *Customer's* bank account on their due date. A *Customer* wishing to be put on the PAP plan must complete an authorization form, which is available from KHECL. See KHECLCOS-500, Appendix 'U'.

This plan may also be used in conjunction with the Equal Payment Plan.

### 4. Other Charges

*Customers* will pay special charges and deposits, on request, which may arise from a variety of conditions. These charges are approved by the *OEB* and are shown in KHECLCOS-500, Appendix "O", Schedule of Rates and Charges. The other charges are:

**Security Deposit** - As a guarantee of payment of bills *Customers* may be required to pay a deposit to KHECL, see KHECLCOS 240 – 03 and KHECLCOS 240-04.

**New Account Set-up** - When a new account has to be established.

**Change of Occupancy** - A change of occupancy charge will apply to all accounts being finalled by an existing *Customer*.

**Arrears Certificate** - If a *Customer* or lawyer request an arrears certificate a charge will apply.

**Returned Cheque** - The *Customer* will be required to pay additional charges for the processing of non-sufficient fund (N.S.F.) cheques.

**Collection of Account Charge** - It is sometimes necessary, for the *Customer's* convenience, for a KHECL employee to visit a *Customer's* premises to collect payment for an account. There will be a charge for this service.

**\*Bill Copy** - If the *Customer* requests a copy of their previously mailed bill a charge will apply.

**\*Statement of Account** - If the *Customer* requests a statement of their account a charge will apply.

**Reference Letter** - A letter of reference on *Customer* payment activity will be supplied for a service fee.

**Easement Letter** - When a lawyer or *Customer* requests information on easements for a parcel of land, a letter will be supplied for a service fee.

**Disconnect/Reconnect Charges** - If *distribution services* are *disconnected* to a *Customer* for non-payment, and payment has been received according to KHECLCOS 220 - 01, the *distribution services* will be reconnected and a service charge will apply. The amount of the service charge will depend on when the *distribution services* were reconnected, and the physical location on the *electrical service* wires of the actual reconnection.

**Dispute Meter Test** - If a *Customer* disputes the accuracy of the meter, the dispute process outlined in KHECLCOS 230 – 07 Section 8 will be followed. A service charge will apply. The amount of the charge is different, depending on the type of *meter installation*.

***Items marked with (\*) are available on the KHECL web site.***

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<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 250 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Consumer Information</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

*Customers* and *retailers* have certain rights regarding access to current and historical usage information and related data. The *Ontario Energy Board's (OEB) Retail Settlement Code*, Chapter 11, outlines the obligations of *distributors* in providing access to such information. A processing fee in accordance with the *OEB's Electricity Distribution Rate Handbook*, Chapter 11, Section 11.2.5, will apply.

This section of Kenora Hydro Electric Corporation Ltd.'s (KHECL) *Conditions of Service* describes the provision of any other information.

The *Conditions of Service* includes reference to information subject to privacy regulations and load profile information. Any process for handling requests for information, outside of the requirements of the *Retail Settlement Code*, are detailed in this section.

## 2. Third Party Request

A third party, who is not a *retailer*, may request historical usage information with the written authorization of the *Customer* to provide their historical usage information. The information to be provided will be what is readily available to a maximum of 24 months. KHECL will charge a fee for this service.

## 3. Aggregated Information

KHECL will provide information appropriate for operational purposes that has been aggregated sufficiently, such that an individual's *Customer* information cannot reasonably be identified, at no charge to another *distributor*, a *transmitter*, the *IESO* or the *OEB*. KHECL will charge a fee that has been approved by the *OEB* for all other requests for aggregated information.

#### **4. List of Retailers**

At the request of a *Customer*, KHECL will provide a list of *retailers* who have *Service Agreements* in effect within its *service area*. The list will inform the *Customer* that an alternative *retailer* does not have to be chosen in order to ensure that the *Customer* receives *energy* and the terms of service that are available under *Standard Supply Service*.

#### **5. Request Response or Referral**

Upon receiving an inquiry from a *Customer* connected to its *distribution system*, KHECL will either respond to the inquiry if it deals with its own *distribution services*, or provide the *Customer* with contact information for the entity responsible for the item of inquiry, in accordance with Chapter 7 of the *Retail Settlement Code*. The information to be provided will be what is readily available to a maximum of 24 months. KHECL will charge a fee for this service.

#### **6. Embedded Distributor**

An *embedded distributor* that receives *energy* from KHECL shall provide load forecasts or any other information related to the *embedded distributor's* system load to KHECL, as determined and required by KHECL. KHECL shall not require any information from another *distributor* unless it is required for the safe and reliable operation of either's *distribution system* or to meet a *distributor's* licence obligations.

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<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 300 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Classifications Based On Service Size</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

*Customers* are to be classified by their *electrical service* size and by the type of *Customer*. The following classifications are defined by Kenora Hydro Electric Corporation Ltd. (KHECL).

## 2. Residential

All services supplied to single-family dwelling units for domestic or household purposes shall be classified as *residential service*.

Subclasses would be:

### Overhead

- Transformers not on *private property*
- Transformers on *private property*

### Underground

- Transformers not on *private property*
- Transformers on *private property*

## 3. General Service

All services other than those designated as *residential service* and *municipal street lighting service*. This includes combination type services where a variety of uses are made of the same service by the *Customer* (eg. *general service* less than 50kVa combined with *residential service*).

Subclasses would be:

- *Demand* less than 50kVa  
(100A @ 120/208V; 100A @ 120/240V, 60A @ 347/600V)
- *Demand* 50kVa, up to 500kVa  
(1600A @ 120/208V; 600A @ 347/600V; 600A @ 120/240V)
- *Demand* greater than 500kVa, up to 5000kVa  
(greater than 1600A @ 120/208V OR greater than 600A @ 347/600V)

For new installations, *demand* sizing is based on the main switch size in amps converted to kVa.

#### **4. Street Lighting**

All service supplied to any electrical street lighting equipment owned by, or operated for, the City of Kenora that is used to illuminate roadways and sidewalks, etc. The street light equipment is not metered, and they turn on and off by photoelectric cells.

#### **5. Unmetered Scattered Load**

This classification applies to an account whose average monthly maximum demand is less than, or is forecasted to be less than, 50kVA and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc.

#### **6. Billing Demand**

Where a *Customer's* metered *demand* exceeds 50kW, the billing *demand* shall be the greater of the monthly maximum measured kilowatt (kW) demand or 90% of the monthly maximum measured kilovolt-ampere (kVa) *demand*. Anywhere *demand* is stated, billing demand is to be interpreted.

A *general service customer's* average 12 month billing *demand*, reviewed at the end of each year, will be the basis for determining the *Customer's* rate class or subclass.

----- End of Document -----



<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 310 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Residential</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

This section covers all items that apply specifically to residential *Customers* not covered under any other section of the Kenora Hydro Electric Corporation Ltd.'s (KHECL) *Conditions of Service*.

## 2. Definition

See KHECLCOS – 300 – 00, Classification Based On Service Size.

## 3. Site Information

The *Customer* shall supply the following to KHECL three months in advance of the planned *connection date*:

- Required *connection date*
- Proposed *electrical service's* rated capacity (amperes) and voltage ratings and *meter installation* requirements
- Locations of other services to at least the center line of the roadway
- Survey plan and site plan indicating the proposed location of the *electrical service* with respect to public rights-of-way and lot lines.
- Information as specified in KHECL Engineering Specifications.

## 4. Demarcation Points and Fees

Refer to Conditions of Service KHECLCOS-210-01 "Building That Lies Along", Appendix 'B' and Appendix 'C' in KHECLCOS-500 for point of demarcation, standard allowance and connection fees for *residential services*.

## 5. Overhead Services

### 5.1 Overhead Transformers Not On Private Property

#### 5.1.1 Minimum Requirements

See KHECL Engineering Specifications.

### 5.1.2 Services Over Swimming Pools

Although the *Ontario Electrical Safety Code* allows electrical conductors to be located at adequate height, KHECL will **not** allow electrical conductors to be located above swimming pools.

Where a new swimming pool is to be installed, and it is necessary to relocate any electrical conductors located directly over the proposed pool location, the relocation is at the expense of the Owner/Customer.

Where overhead service conductors are in place over an existing swimming pool, KHECL will provide up to 30 metres of overhead service conductors, at no charge, to allow rerouting of the service. The *person* who owns the *building* or property, or the *Customer*, will pay any other costs.

### 5.2 Overhead Transformer on Private Property

See KHECL Engineering Specifications.

## 6. Underground Service for an Individual Residence (Non Subdivision)

### 6.1 Transformers Not On Private Property

All new underground *connection assets* from KHECL's *distribution system* to the *Customer's electrical service* may be supplied and installed by the *Customer's* electrical contractor. The *Customer* must advise KHECL of the contractor who will be performing the work, and the contractor must be approved by KHECL.

The *Customer's* electrical contractor will install the *connection assets* in accordance with KHECL's current specifications and standards. Details of KHECL's requirements for underground servicing are illustrated in KHECL Engineering Specifications.

KHECL will provide one inspection free of charge, prior to backfilling of trench. Charges to the *Customer* may be levied if more visits are required.

A *Customer* may, at their option, request KHECL to install underground *connection assets* from the designated point of supply in the overhead *distribution system* to the *Customer's building* provided that:

- a) *Customers* requesting an underground service in an overhead area will be required to pay 100% connection costs for the underground

service less the allowance for an overhead service. The *Customer* will be responsible for all costs related to installation.

- b) The *building* is solely for *residential service* use and contains not more than three (3) self-contained dwelling units.
- c) The *Customer* obtains all approvals required and is fully responsible for reinstatement of lawns, shrubbery, fences, pavement, etc.
- d) See KHECL Engineering Specifications.

The underground service (*connection assets*) from KHECL's *distribution system* to the *electrical service* shall be owned, operated and maintained by KHECL, in accordance with KHECLCOS-500 Appendices 'B' and 'C'.

## 6.2 Transformers On Private Property

The *Customer* will supply and install primary cable, vault, pad, ducts, grounding and all secondary cables excluding terminations of the transformer for both primary and secondary to KHECL specifications. See KHECL Engineering Specifications.

The underground service (*connection assets*) from KHECL's *distribution system* to the *electrical service* shall be owned, operated and maintained by KHECL, in accordance with KHECLCOS-500 Appendices 'B' and 'C'.

## 7. Relocation of Service

If the *Customer* requests an established overhead or underground service to be relocated due to construction of *buildings* or other reasons, the *Customer* will bear the full cost of relocation of service.

## 8. Miscellaneous

The *Customer* shall pay for any necessary road crossings.

The trench route or pole line route must be approved by KHECL and is to follow the route indicated on the electrical drawing supplied by KHECL. Any deviation from this route must be approved by KHECL. The *Customer* will be responsible for KHECL's costs associated with re-design and inspection services due to changes or deviations initiated by the *Customer* or their agent.

The *Customer* will assure the provision for the *electrical service*, *connection assets* and *meter installation*, all comply with KHECL's specifications.

Where there are other services to be installed (e.g. gas, telephone, and cable) these shall be coordinated to avoid conflict with KHECL's underground cables. KHECL's installation will not normally commence until all other servicing and grading have been completed for gas, water and sewer.

It is the responsibility of the *Customer*, or their contractor, to obtain approvals from all of the utility companies (including KHECL) before digging.

It is the responsibility of the *Customer* to contact KHECL to inspect each trench prior to the installation of KHECL's underground cables.

The *Customer* shall provide unimpeded access for KHECL to install the service.

The *Customer* shall ensure that any intended tree planting has appropriate clearance from underground or overhead electrical plant.

## **9. Equal Payment Plan**

The Equal Payment Plan is offered to residential *Customers* of KHECL. The monthly Equal Payment Plan amount billed is withdrawn from an authorized financial institution and payable on the due date.

This amount is calculated based on previous consumption or based on an estimate. The account balance must be at zero before joining the Equal Payment Plan.

Account balance may be reviewed quarterly and adjustments may be made if necessary to reflect credit or debit balances.

The Equal Payment Plan balances may be reconciled in May and June of each year.

See KHECLCOS-500, Appendix "R", Equal Payment Plan Contract Letter.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 320 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>General Service Less than 50kW</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

This section pertains specifically to *general service Customers* with a billing *demand* of less than 50 kW. Kenora Hydro Electric Corporation Ltd.'s (KHECL) specific *Conditions of Service* for this class of *Customer*, which are not covered under any other section, are specified in this section.

## 2. Definition

See KHECLCOS – 300 – 00, Classification Based On Service Size.

## 3. Site Information

The *Customer* shall supply the following to KHECL three months in advance of the planned *connection date*:

- Required *connection date*
- Proposed *electrical service's* rated capacity (amperes) and voltage ratings and *meter installation* requirements
- Proposed *demand* details in kW (Winter and Summer)
- Survey plan and site plan indicating the proposed location of the *electrical service* with respect to public rights-of-way and lot lines.
- Locations of other services to at least the center line of the roadway.
- Information as specified in KHECL Engineering Specifications.

## 4. Civil Infrastructure and Underground Service Requirements

See KHECL Engineering Specifications.

When effecting changes, the *Customer* shall maintain sufficient clearances between the *electrical service* and *buildings* and other permanent structures to meet the requirements of KHECL Engineering Specifications.

## 5. Maintenance

KHECL is responsible for the maintenance and repairs to the *ownership demarcation point*, **but not** the *electrical room* or any other civil structure that forms part, or is part of the *Customer's building*.

## 6. Refurbishment

KHECL will undertake the necessary programs to maintain and enhance its *distribution system* at its expense. In the event that the *electrical service* to a *Customer* needs to be restored as a result of these construction or maintenance activities by KHECL, they will be restored to an equivalent condition.

In addition, KHECL may carry out the necessary construction and *enhancement* work to maintain existing *distribution services* by providing standard overhead or underground temporary *connection assets* to *Customers* affected by KHECL's construction activities. If a *Customer* requests special construction beyond the normal KHECL standard in accordance with the program, the *Customer* shall pay the additional cost, including engineering and administration fees.

Refer to Appendices "B" and "C" for Point of Demarcation, Standard Allowance and Connection Fees for General Service.

## 7. Electrical Requirements

See KHECL Engineering Specifications.

## 8. Electrical Room Requirements (as applicable)

See KHECL Engineering Specifications.

## 9. Temporary Services

*Temporary services* may be supplied overhead or underground, at KHECL's discretion. The *Customer* will be responsible for all associated costs for **the installation and removal** of *connection assets* required for a *temporary service* to KHECL's *distribution system*. Payment of those costs must be made in advance. *Temporary services* must not exceed 12-months without re-inspection by the *Electrical Safety Authority* and renewal by KHECL.

Subject to the requirements of KHECL, a *connection* will be made after receipt of a 'Connection Authorization' from the *Electrical Safety Authority*, a signed *Distribution Services Agreement*, and a deposit from the *Customer*.

See KHECL Engineering Specifications

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 330 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>General Service 50kW to 5000 kW</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

This section pertains specifically to *general service Customers* with a *demand* of 50kW to 5000kW. Kenora Hydro Electric Corporation Ltd.'s (KHECL) specific *Conditions of Service* for this class of *Customer*, which are not covered under any other section, are specified in this section.

## 2. Definition

See KHECLCOS – 300 – 00, Classification Based On Service Size.

## 3. Site Information

The *Customer* shall supply the following to KHECL three months in advance of the planned *connection* date:

- Required *connection* date
- Proposed *electrical service's* rated capacity (amperes) and voltage ratings and *meter installation* requirements
- Proposed *demand* details in kW (Winter and Summer)
- Locations of other services to at least the center line of the roadway.
- Survey plan and site plan indicating the proposed location of the *electrical service* with respect to public rights-of-way and lot lines.
- Information as specified in KHECL Engineering Specifications.

## 4. Civil Infrastructure and Underground Service Requirements

See KHECL Engineering Specifications.

When effecting changes, the *Customer* shall maintain sufficient clearances between the *electrical service* and *buildings* and other permanent structures to meet the requirements of KHECL Engineering Specifications.

## 5. Maintenance

KHECL is responsible for the maintenance and repairs to the *ownership demarcation point*, **but not** the *electrical room* or any other civil structure that forms part, or is part of the *Customer's building*.

## 6. Electrical Requirements

### Up to 500kVA

Where the size of the *Customer's electrical service* warrants, the *Customer*, or the *person* who owns the *building*, will be required to provide facilities and an *electrical room*, vault, or pad, on its *private property* and an easement as required (i.e. on the premises to be served), acceptable to KHECL, to house the necessary transformer(s) and/or switching equipment. KHECL will provide planning details upon application for service.

KHECL will supply, install and maintain the transformation equipment in a vault, or on a pad.

The *person* who owns the *building* shall identify each *Customer's* metered service by address and/or unit number in a permanent and legible manner. The identification shall apply to all main switches, breakers and to all meter cabinets or meter mounting devices that are not immediately adjacent to the switch or breaker. The electrical room shall be visibly identified from the outside.

### Greater Than 500kVA

KHECL and the *Applicant* will work together to decide the details and requirements for high voltage supplies to this size of *electrical service*.

### **Electrical Room Requirements**

See KHECL Engineering Specifications.

## 7. Technical Considerations

See KHECL Engineering Specifications.

## 8. Temporary Services

*Temporary services* may be supplied overhead or underground, at KHECL's discretion. The *Customer* will be responsible for all associated costs for **the**



**installation and removal** of *connection assets* required for a *temporary service* to KHECL's *distribution system*. Payment of those costs must be made in advance. *Temporary services* must not exceed 12-months without re-inspection by the *Electrical Safety Authority* and renewal by KHECL.

Subject to the requirements of KHECL, a *connection* will be made after receipt of a 'Connection Authorization' from the *Electrical Safety Authority*, a signed *Distribution Services Agreement*, and a deposit from the *Customer*.

See KHECL Engineering Specifications.

----- End of Document -----

Kenora Hydro Electric Corporation Ltd.	Number: KHECLCOS – 350 – 01
Conditions of Service	Issue Date: April, 2007
Embedded Generation	Review Date: March, 2008

## 1. Preamble

This section pertains specifically to *generators with embedded generation facilities* in Kenora Hydro Electric Corporation Ltd.'s (KHECL) service area. This section outlines items which are not covered under any other section.

## 2. Embedded Generation Connection - General

All *generators with embedded generation facilities* shall execute a *Connection Agreement* and *Settlement Agreement*, and, if required, an *MSP Agreement* with KHECL. *Generators with embedded generation facilities* connected to KHECL's *distribution system* prior to the date of these *Conditions of Service* shall, subject to any agreement between the *generator* with an *embedded generation facility* and KHECL otherwise, execute a *Connection Agreement* with KHECL.

In accordance with KHECLCOS-210-07 and KHECLCOS-210-00 of these *Conditions of Service*, KHECL shall not *connect* any *embedded generation facility* where there is not an executed *Connection Agreement* and, if required, an *MSP Agreement*.

The *Connection Agreement* will be maintained by KHECL. The *Connection Agreement* will comply with the OEB DSC Appendix E, see KHECLCOS Appendix "K". There are three different *Connection Agreements* based on the size of the embedded generator: Large ( $\geq 10\text{MW}$ ); Small and Midsized ( $\leq 10\text{MW}$  and  $\geq 10\text{ kW}$ ); and Micro ( $\leq 10\text{kW}$ ).

KHECL shall not allow *generators with an embedded generation facility connections* directly to the *distribution system* in a manner that may materially adversely impact power quality, reliability, efficiency, or the safety of *Consumers* or KHECL's personnel.

When technical alternatives to *connecting* to KHECL's *distribution system* do not exist and the *connection* of an *embedded generation facility* will not impact the safety of the *Consumers* or KHECL's personnel, or the reliability of the *distribution*

system, KHECL may at its sole discretion consider the connection of the *embedded generation facility*. The *generators with embedded generation facilities* shall be responsible for all costs associated with KHECL performing studies and developing plans for risk mitigation that are to the satisfaction of KHECL. KHECL will not charge for the preparation of an offer to connect for a *micro-embedded load displacement generation facility*.

### 3. Connection Process

The connection process varies based on the size of the proposed *embedded generation facility*. The *OEB DSC* Appendix F.1 contains the process and a corresponding flow chart for each size of a proposed *embedded generation facility*. KHECL will provide the necessary information, and offers, in the time frames stipulated in the appropriate section shown below.

- For a Micro *generation facility* ( $\leq 10$  kW) see *OEB DSC* Appendix F.1.1
- For a Small *generation facility* ( $\leq 500$  kW connected at  $< 15$  kV, or  $\leq 1$  MW connected at  $\geq 15$  kV) see *OEB DSC* Appendix F.1.2
- For a Mid-Sized *generation facility* ( $\leq 10$  MW but  $> 500$  kW connected at  $< 15$  kV, or  $\leq 10$  MW but  $\geq 1$  MW connected at  $\geq 15$  kV) see *OEB DSC* Appendix F.1.3
- For a Large *generation facility* ( $\geq 10$  MW) see *OEB DSC* Appendix F.1.4

Applications for the connection of Small, Mid-Sized and Large *generation facilities* will be placed in a queue on a first-come, first served basis. The queuing process shall conform to the *OEB DSC* Section 6.2.4.1. Applications for the connection of a Micro *generation facility* will be processed when received and in accordance with the *OEB DSC* Sections 6.2.6 and 6.2.7.

Additional information may be required for proposed net metering generation facilities. There is a maximum cumulative generation capacity available in KHECL's service area for net metering generation facilities; therefore the number of net metering generation facilities will be limited.

### 4. General Technical Information Requirements

All *generators with embedded generation facilities* shall provide KHECL with the following documentation to ensure that the *distribution system* is adequately protected from potential damage or increased operating costs resulting from the *connection of the embedded generation facility*:

- (a) for *micro-embedded load displacement generation facility* (<10Kw) supply information as stated in *OEB DSC* Appendix F.1.1 Steps 3 and 4;
- (b) for *small embedded generation facility* (>10Kw and <500Kw) supply information as stated in *OEB DSC* Appendix F.1.2 Steps 3, 4 and 5;
- (c) for *mid-sized embedded generation facility* (>500Kw and <10Mw) supply information as stated in *OEB DSC* Appendix F.1.3 Steps 3, 4 and 5; and
- (d) for *large embedded generation facility* (>10Mw) supply information as stated in *OEB DSC* Appendix F.1.4 Steps 3, 4 and 5.

All documentation and studies outlined above will be analyzed and approved by KHECL, and these costs shall be borne by the *generator* with the *embedded generation facility*, unless otherwise stated in the *OEB DSC* Appendix F.

The *embedded generation facilities* must also meet the technical requirements as identified in the *Connection Agreement* and the *OEB DSC* Appendix F.2 Technical Requirements.

*Generators* with *embedded generation facilities* connected to the *distribution system* prior to the date of these *Conditions of Service* shall submit the above-referenced technical information to KHECL.

## 5. Interface Protection and Isolating Devices

The *generators* with *embedded generation facilities* shall supply, install, own, and maintain an interface protection that minimizes the frequency and severity of disturbances on the *distribution system* and the impact on other *Consumers*. The interface protection shall be capable of automatically isolating the *embedded generation facility* 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.

The *generators* with *embedded generation facilities* shall supply, install, own, 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 to the *ownership demarcation point of connection* of the *embedded generation facility* to the *distribution system*, and must be readily accessible;
- (b) provide a visible indication of the open main current-carrying path that isolates the *embedded generation facility* from the *distribution system*;

- (c) have a three-pole gang operated switch mechanism suitable for load break operations at rated load. (Subject to KHECL's prior written approval, Single Phase *embedded generating facilities* may use single pole switches or openers);
- (d) meet *Ontario Electrical Safety Code* requirements;
- (e) be rated for maximum fault current available at that location on the *distribution system*;
- (f) be lockable in the open position;
- (g) be suitable for safe operation under the conditions of use; and
- (h) have an interlock, which will prevent back-feed in the event of an outage on the *distribution system*.

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 *generator with embedded generation facilities* and shall be provided to KHECL upon request.

## 6. Metering for Embedded Generation Facilities

The *meter installation* shall be installed at the *ownership demarcation point* of the *embedded generation facility* to the *distribution system*. At KHECL's discretion, secondary metering will be installed and applicable loss factors will be applied to the generation output in accordance with the loss factors applied for retail settlements and billing.

The *generators with embedded generation facilities* shall install a *four-quadrant interval meter* in accordance with the *Distribution System Code* and KHECL's standard metering requirements. The *generators with embedded generation facilities* shall provide KHECL with the technical details of the *meter installation*.

*Generators with embedded generation facilities* over 500kW or *wholesale market participants* shall install an *IESO approved meter installation*, and it shall be maintained by an *IESO registered meter service provider* approved by KHECL. All costs associated with an *IESO meter installation* shall be borne by the *generator with embedded generation facility*.

A *generator with embedded generation facilities* that may, at any time, deliver *energy* to the *distribution system* shall be responsible for the ownership, installation and maintenance (using a *registered meter service provider*), of an approved *IESO meter installation*.

Settlement for *net metering generation facilities* will be in accordance with the *OEB DSC Section 6.7.3*.

*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*.

## 7. Transformers

Any step-up transformation equipment required to step-up the *embedded generation facility's* output voltage to the primary voltage of KHECL's *distribution system* shall be supplied, installed, owned and maintained by the *generator* with the *embedded generation facility*.

For *Consumers connected* to the *distribution system* that wish to install an *embedded generation facility* with a total installed generation capacity of less than 10 kW, KHECL may, at its sole discretion, permit the *embedded generation facility* to be *connected* through KHECL's existing transformer. In such cases, the *generator* with the *embedded generation facility* shall be responsible for any and all damage to the KHECL *distribution system* caused by the operation of the *embedded generation facility*.

## 8. Maintenance Schedules

*Generators* with *embedded generation facilities* must implement and adhere to a regular scheduled maintenance plan to assure both KHECL and the *generator* with the *embedded generation facility* 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*.

KHECL, in its sole discretion, may request to witness the re-verification of any protections that could adversely impact the *distribution system*. The *generator* with the *embedded generation facility* shall pay for the re-verification and provide KHECL a copy of the report giving the results of the re-verification of the protections.

## 9. Reporting Requirements

All *generators* with *small, mid-sized and large embedded generation facilities* shall report any significant event to KHECL within 5 business days. The *Connection Agreement* may include a list of events deemed significant and provide a standard report format.

The *generator* with the *embedded generation facility* shall keep a written log of the operation of its protections that result in the tripping of its interrupting devices. On request, the *generator* with the *embedded generation facility* must provide a copy of the log to KHECL. The log shall contain, at a minimum, the following information:

- (a) date and time of event/operation of protections;
- (b) which relay or protection feature of the relay initiated the trip;
- (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.)

## 10. Capital Contribution

When KHECL is required to do an *expansion* or *enhancement* to the *distribution system* to *connect* an *embedded generation facility* (an “Expansion”), KHECL will perform an economic evaluation to determine the *generator’s* share of the present value of the projected capital costs and ongoing maintenance costs of the Expansion (the “Expansion Costs”). KHECL will use the Discounted Cash Flow Model and assume that future revenue and avoided costs will be zero. See also KHECLCOS-210-02.

## 11. Compliance

All equipment of *generators* with *embedded generation facilities* must meet, at a minimum, KHECL requirements, *Electrical Safety Authority* requirements, and the *OEB DSC* Appendix F.2 Technical Requirements.

KHECL may require that the equipment deemed non-compliant be brought into actual compliance at the *generator* with *embedded generation facility’s* expense with KHECL’s performance requirements within a timeframe established by KHECL. This applies at KHECL’s sole discretion, where there is:

- (a) a material deterioration of the *distribution system* reliability resulting from the performance of the *generator* with *embedded generation facility’s* equipment; or
- (b) a material negative impacts on the power quality of an existing or a new *Consumer* 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.

## 12. Disconnection of Embedded Generation Facility

If the *generator* with *embedded generation facilities* is not in compliance in accordance with Section 10 above, or the conditions required in the *Connection Agreement*, it may be subject to *disconnection*.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 360 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Embedded Market Participant</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

An embedded market participant, or *embedded wholesale Customer*, 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 a *distribution system*.

## 2. Embedded Market Participant

All *embedded wholesale Customers* within the *service area* of Kenora Hydro Electric Corporation Ltd. (KHECL), once approved by the *IESO*, are required to inform KHECL of their approved status, in writing.

A *Distribution Services Agreement* and a *Settlement Agreement* will be required between an *embedded wholesale Customer* and KHECL.

An *embedded wholesale Customer* will be responsible for the ownership, installation and maintenance of the *meter installation* and contracting the services of a *meter service provider*. Responsibility for an existing *meter installation* will transfer from KHECL to the *embedded wholesale Customer* on the meter seal expiry date.

----- End of Document -----



<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 370 – 01
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Embedded Distributor</b>	<b>Review Date:</b> March, 2008

### 1. Preamble

An *embedded distributor* is a *distributor* who is not a *wholesale market participant* and that is provided electricity by a *host distributor*.

### 2. Embedded Distributor

The terms and conditions applicable to the *connection* of an *embedded distributor* shall be included in a *Distribution Services Agreement* and *Settlement Agreement* with Kenora Hydro Electric Corporation Ltd. (KHECL).

### 3. Long Term Load Transfer

It is KHECL's intention to transfer, or *connect*, all existing long term *load transfer Consumers* from or to its *distribution system* before January 31, 2009. No new long term *load transfer Customers* will be *connected* to KHECL's *distribution system*. However, KHECL will consider short term *load transfer connections* provided that the requesting *distributor* (as that term is defined in the *Electricity Act*) or the *Customer* enter into an agreement, on terms satisfactory to KHECL prior to the *connection*.

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>  <b>Conditions of Service</b>	<b>Number:</b> KHECLCOS – 380 – 01  <b>Issue Date:</b> April, 2007
<b>Un-metered Connections</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

Unmetered *connections* are *un-metered loads* that do not have a *meter installation* directly connected to the *Customer's electrical service*. The *energy usage* is estimated.

## 2. Unmetered Connections

There are instances where *connections* can be provided without a *meter installation*. These loads are generally small in size and consistent in magnitude of *demand*. Kenora Hydro Electric Corporation Ltd. (KHECL) reserves the right to review all cases and may request a *meter installation* be installed, at its sole discretion.

*Customers* that may be *unmetered load* include, but are not limited to, 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, or estimated *demand*.

All *unmetered loads* fall under the *general service*, or *municipal street lighting service*.

The *Customer* shall provide the necessary technical information so KHECL may calculate usage or *demand*.

*Unmetered loads* may include the following:

### Street Lighting

The *energy consumption* for *municipal street lighting service* is estimated based on KHECL's profile for street lighting, which provides the amount of time each month that the street lights are operating. The *energy charge* is based on installed *demand*.

KHECL must approve the location of new street lighting installations on its line poles and the street light owner must enter into a *Distribution Services*

*Agreement* to use such poles. KHECL will make the *electrical service connection* of all street lights to the *distribution system*. The *electrical service connection* costs shall be borne by the street light owner. See KHECLCOS-500 Appendix "M", Unmetered Connection Agreement.

### **Decorative Lighting**

Charges for part time, or decorative, seasonal lighting shall include an *energy* charge calculated at dollars/kWh/month. Minimum billing will be for one month (Dollars per kWh x # of fixtures x billing).

----- End of Document -----

<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 400 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Glossary of Terms</b>	<b>Review Date:</b> March, 2008

## 1. Preamble

These Kenora Hydro Electric Corporation Ltd. (KHECL) *Conditions of Service* documents contain a variety of terms that may need to be defined in the context of this document. This Section defines those terms.

## 2. Source for definitions:

A	Electricity Act, 1998, Schedule A, Section 2, Definitions
MR	Market Rules for the Independent Electricity System Operator ( <i>IESO</i> ), Chapter 11, Definitions
TDL	Transitional Distribution License, Part I, Definitions
TTL	Transitional Transmission License, Part I, Definitions
DSC	Distribution System Code Definitions
SSS	Standard Supply Service Code Definitions
ARC	Affiliate Relationship code Definitions
RSC	Retail Settlement Code Definitions
OEB	Ontario Energy Board Act, 1998

After each of the defined terms listed below, the Act, Rule, or Code where the term is also defined is listed. Where the definition in the Act, Rule or Code is different from the one in this Glossary, the word “modified” follows. Any differences are minor in nature, and do not present an ambiguity. Only the term “*Applicant*” has a completely different definition in this Glossary from the definition shown in the *IESO's Market Rules*. The definitions contained in these *Conditions of Service* will prevail, if there is a conflict with any other document.

## 3. Defined Terms

“*Affiliate Relationships Code*” means the code, approved by the *OEB* and in effect at the relevant time, which among other things, establishes the standards and conditions for the interaction between electricity *distributors* or *transmitters* and their respective affiliated companies; (TDL, DSC, RSC)

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"*Applicant*" means a *person* who has made or is making an application for *distribution service*; (not MR)

"*building*" means a *building*, portion of a *building*, structure or facility; (RSC)

"*Canadian Standards Association*" or "*CSA*" means the not-for-profit membership-based association serving business, industry, government and consumers in Canada and the global marketplace, who's head office is in Mississauga, Ontario.

"*Conditions of Service*" means the document developed by a *distributor* in accordance with subsection 2.4 of the Code that describes the operating practices and *connection* rules for the *distributor*; (DSC)

"*connection*" or "*connect*" means the process of installing and activating *connection* assets in order to *distribute* electricity to a *Customer*; (DSC)

"*Connection Agreement*" means the written agreement entered into between KHECL and an *embedded generator* connected to its *distribution system* that delineates the conditions of the *connection* and delivery of *energy* from that *connection*;

"*connection assets*" means that portion of the *distribution system* used to connect a *Applicant* to the existing main *distribution system*, and consists of the assets between the point of *connection* on a *distributor's* main *distribution system* and the *ownership demarcation point* with that *Applicant*; (DSC)

"*Consumer*" means a *person* who uses, for the *person's* own consumption, electricity that the *person* did not *generate*; (A, MR, TDL, DSC, RSC, OEB)

"*Customer-owned substation*" means a facility located on *private property* owned, operated and maintained by the *Customer*. The facility will have at least one transformer with a high side voltage of 12.5KV, isolating switches, fuses, lightning arrestors, secondary switches, appropriate structures, fencing, and may have capacitors. The equipment will be installed and operated in accordance with the *Ontario Electrical Safety Code* published by the *ESA*.

"*Customer*" means a *Person* that has contracted for or intends to contract for *connection* of a *building*, and/or who contracts to receive *distribution services*; (DSC modified)

"*demand*" means the *rate* at which electric *energy* is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts at a given instant or averaged over any designated interval of time; (MR)

"*developer*" means a *person* or *persons* owning, or acting on behalf of an owner(s) of, property for which new or modified *electrical services* are to be installed;

*"disconnection or disconnect"* means a deactivation of *connection assets* or *electrical service* that results in cessation of *distribution services* to a *Customer*; (DSC)

*"distribute"*, with respect to electricity, means to convey electricity at voltages of 50 kilovolts or less; (A, MR, TDL, DSC, RSC, SSS, OEB)

*"distribution services"* means services related to the distribution of electricity and the services the OEB has required *distributors* to carry out, for which a charge or *rate* has been approved by the OEB, under section 78 of the Ontario Energy Board Act; (RSC, DSC, TDL modified)

*"Distribution Services Agreement"* means an agreement entered into between a *distributor* and a *person* connected to its *distribution system* that delineates the conditions of the *connection* and delivery of electricity to that *connection*; (DSC)

*"distribution system"* means a system for distributing electricity, and includes any structures, equipment or other things used for that purpose. A *distribution system* is comprised of the main system capable of distributing electricity to many *Customers* and the *connection assets* used to connect an *Applicant* to the main *distribution system*; (A, MR, TDL, DSC, OEB, SSS modified, RSC, ARC modified)

*"Distribution System Code"* means the code, approved by the OEB, 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 *distribution systems*; (DSC)

*"distributor"* means a *person* who owns or operates a *distribution system*; (A, MR, TDL, DSC, OEB, SSS modified, RSC, ARC)

*"Electricity Act"* means the *Electricity Act*, 1998, S.O. 1998, c.15, Schedule A; (MR, TDL, DSC, RSC, SSS modified)

*"electrical room"* means an isolated room or enclosure, with outside access, built to applicable codes to house associated electrical equipment such as *meter installation* equipment, *Customer's electrical service*, transformer, etc.

*"Electrical Safety Authority"* or *"ESA"* means the *person* or body designated under the *Electricity Act* regulations as the *Electrical Safety Authority*; (A, DSC)

*"electrical service"* means the *Customer's* conductors and equipment for delivery of *distribution services* from KHECL;

*"embedded distributor"* means a *distributor* who is not a *wholesale market participant* and that is provided electricity by a host *distributor*; (RSC, DSC)

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*“embedded generator” or “embedded generation facility” means a generator whose generation facility is not directly connected to the IESO-controlled grid but instead is connected to a distribution system; (DSC, MR modified)*

*“embedded wholesale Customer” means a Customer who is a wholesale market participant whose facility is not directly connected to the IESO-controlled grid but is connected to a distribution system; (DSC, RSC)*

*“emergency” means any abnormal system condition that requires remedial action to prevent or limit loss of a distribution system or supply of electricity that could adversely affect the reliability of the electricity system; (DSC, MR modified)*

*“emergency backup generation facility” means a generation facility that has a transfer switch that isolates it from a distribution system; (DSC)*

*“energy” means the product of real power multiplied by time, usually expressed in kilowatt-hours (kWH);*

*“energy diversion” means the unaccounted for use of distribution services that can be quantified through various measures upon review of the meter mechanism, such as unbilled meter readings, tap off load(s) before revenue metering or meter tampering;*

*“enhancement” means a modification to an existing distribution system that is made for purposes of improving system operating characteristics such as reliability or power quality or for relieving system capacity constraints resulting, for example, from general load growth; (DSC)*

*“expansion” means an addition to a distribution system in response to a request for additional Applicant connections that otherwise could not be made; for example, by increasing the length of the distribution system; (DSC)*

*“extreme operating conditions” means extreme operating conditions as defined in the Canadian Standards Association (“CSA”) Standard CAN3-C235-83 (latest edition);*

*“four-quadrant interval meter” means an interval meter that records power injected into a distribution system and the amount of electricity consumed by the Customer; (DSC)*

*“general service” means any service supplied to premises other than those designated as residential service, Municipal Street Lighting, or sentinel lighting service. This includes multi-unit residential establishments such as apartment buildings metered through one service;*

*“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; (A, MR, TDL, DSC, RSC, OEB)*

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*"generator"* means a *person* who owns or operates a *generation facility*; (A, MR, TDL, DSC, OEB, RSC)

*"good utility practice"* means any of the practices, methods and acts engaged in or approved by a significant portion of the electric 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; (MR, DSC)

*"host distributor"* means the registered *wholesale market participant distributor* who provides electricity to an *embedded distributor*; (RSC, DSC modified)

*"IEEE"* means Institute of Electrical and Electronics Engineers;

*"IESO"* means the Independent Electricity System Operator established under the *Electricity Act*; (A, TDL, DSC, OEB, MR, RSC, SSS)

*"IESO-controlled grid"* means the *transmission systems* with respect to which, pursuant to agreements, the *IESO* has authority to direct operation; (A, TDL, DSC, MR, OEB, RSC)

*"interval meter"* means a meter that measures and records electricity use on an hourly or sub-hourly basis; (RSC, DSC)

*"load transfer"* means a network supply point of one *distributor* that is supplied through the distribution network of another *distributor* and where this supply point is not considered a wholesale supply or bulk sale point; (DSC, RSC, modified)

*"load transfer Customer"* means a *Customer* that is provided *distribution services* through a *load transfer*; (DSC)

*"Market Rules"* means the rules made under section 32 of the *Electricity Act*; (MR, TDL, DSC, RSC, SSS, OEB, A)

*"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; (DSC)

*"meter service provider"* means any entity that performs *metering services* on behalf of a *distributor*; (DSC, MR modified)

*"meter installation"* means the meter and, if so equipped, the instrument transformers, wiring, testing links, fuses, lamps, loss of potential alarms, meters data recorders,



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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; (RSC, DSC)

*"meter socket"* means the mounting device for accommodating a socket type revenue meter;

*"MSP Agreement"* means the written agreement between KHECL and an *embedded generator*, which outlines the terms and conditions for providing *meter installation* services;

*"municipal street lighting"* means all services supplied to street lighting equipment owned, controlled and/or operated by a municipal corporation;

*"normal operating conditions"* means the operating conditions comply with the standards set by the *Canadian Standards Association* ("CSA") Standard CAN3-C235-83 (latest edition);

*"Ontario Electrical Safety Code"* means the publication put out by the *Electrical Safety Authority* which is comprised of the CSA Standard C22.1-02, Canadian Electrical Code Part I, Safety Standard, For Electrical Installations, and Ontario Amendments to the Canadian Electrical Code Part I C22.1-02.

*"Ontario Energy Board"* or *"OEB"* means the *Ontario Energy Board*; (A, TDL, DSC, ARC, RSC, SSS, OEB)

*"Ontario Energy Board Act"* means the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B; (MR, DSC)

*"operational demarcation point"* means the physical location at which a *distributor's* responsibility for operational control of distribution equipment including *connection assets* ends at the *Applicant*; (DSC)

*"ownership demarcation point"* means the physical location at which a *distributor's* ownership of distribution equipment including *connection assets* ends at the *Applicant*; (DSC)

*"performance guarantee"* means a guarantee provided by the *developer* or *Applicant*, in an amount to be determined by KHECL but not to exceed the expansion capital costs stated in the Offer to Connect, in order to ensure that the underlying legal obligation, Construction Subdivision Agreement, will be fulfilled and consequently there will be no loss to KHECL in the event that the *developer* or *Applicant* defaults on the construction of the *expansion* facilities based on the plans submitted by the *developer* or *Applicant* on which the Offer to Connect was based.

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*"Person"* includes an individual, a corporation, sole proprietorship, partnership, unincorporated organization, unincorporated association, body corporate, and any other legal entity;

*"private property"* means the property beyond the existing public street allowances;

*"rate"* means any *rate*, charge or other consideration, and includes a penalty for late payment; (TDL, DSC, RSC, ARC)

*"Rate Handbook"* means the document approved by the *Board* that outlines the regulatory mechanisms that will be applied in the setting of *distributor rates*; (RSC, DSC, TDL modified, SSS modified)

*"real power"* means the power component required to do real work, which is measured in kiloWatts (kW);

*"residential service"* means a service which is less than 50kW supplied to single-family dwelling units that is for domestic or household purposes, including seasonal occupancy.

*"Retail Settlement Code"* means the code approved by the *OEB* 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 *Customers* transfers among competitive *retailers*; (TDL, DSC, RSC)

*"retailer"* means a *person* who *retails* electricity; (A, MR, TDL, DSC, SSS modified, RSC, OEB)

*"security deposit"* means an amount and type of security requirement on a *Customer* depending upon the *distributor's* assessment of the *Customer's* likely risk of non-payment.

*"sentinel lighting service"* means all services supplied to sentinel lighting equipment owned, controlled and/or operated by KHECL;

*"service agreement"* means the agreement that sets out the relationship between a licensed *retailer* and a *distributor*, in accordance with the provisions of Chapter 12 of the *Retail Settlement Code*; (RSC)

*"service area"* with respect to a *distributor*, means the area in which the *distributor* is authorized by its license to *distribute* electricity; (A, TDL, DSC, RSC)

*"service date"* means the date that the *Applicant* and KHECL mutually agree upon to begin the supply of *distribution services* by KHECL;

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"*Settlement Agreement*" means the written agreement between KHECL and an *embedded distributor* or *embedded generator* which outlines the terms and conditions for settling and paying for the delivery of electricity from and/or to KHECL;

"*standard supply service*" or "SSS" means the service approved by the OEB 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*; (RSC, SSS)

"*Standard Supply Service Code*" means the code approved by the OEB 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*; (TDL)

"*supply voltage*" means the voltage measured at the *Customer's main service* entrance equipment (typically at or below 750 volts). Operating conditions are defined in the Canadian Standards Association ("CSA") Standard CAN3-C235 (latest edition);

"*temporary service*" means *distribution services* granted temporarily, to a maximum of 12 months, for such purposes as construction, real estate sales, trailers, et cetera;

"*transformer room*" means an isolated enclosure built to applicable codes to house transformers and associated electrical equipment;

"*transmission system*" means a system for transmitting electricity, and includes any structures, equipment or other things used for that purpose; (A, MR, TDL, DSC, RSC, ARC modified, OEB)

"*Transmission System Code*" means the code, approved by the OEB, that is in force at the relevant time, which regulates the financial and information obligations of the *Transmitter* with respect to its relationship with *Customers*, as well as establishing the standards for *connection* of *Customers* to, and *expansion* of a *transmission system*; (DSC)

"*transmitter*" means a *person* who owns or operates a *transmission system*; (A, MR, TDL, DSC, OEB, ARC, RSC)

"*unmetered loads*" means *energy* consumption that is not metered and is billed based on estimated usage; (DSC, RSC)

"*wholesale market participant*," means a *person* that sells or purchases electricity or *ancillary services* through the IESO-administered markets; (RSC, DSC)

"*wholesale settlement cost*" means costs for both competitive and non-competitive electricity services billed to a *distributor* by the IESO or a *host distributor*, or provided by an *embedded retail generator* or by a neighboring *distributor*; (RSC, DSC)

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<b>Kenora Hydro Electric Corporation Ltd.</b>	<b>Number:</b> KHECLCOS – 500 – 00
<b>Conditions of Service</b>	<b>Issue Date:</b> April, 2007
<b>Appendices Index</b>	<b>Review Date:</b> March, 2008

<b>Appendix</b>	<b>Name</b>
A	Corporate Contacts
B	Demarcation Points and Charges for Connection Assets
C	Basic Connection and Disconnection Fees
D	Offer To Connect Template – Residential Subdivision
E (i)	Offer To Connect - General Service –
(ii)	- Residential Service -
H	Metering and Billing Dispute Policy
I	Distribution Services Agreement - Residential
J	Distribution Services Agreement – General Service -
K	Embedded Generator Connection Agreement – N/A
L	Embedded Generator MSP Agreement – N/A
M	Unmetered Connection Agreement
N	Service Agreement for a Retailer
O	Schedule of Rates and Charges
P	Calculation of Deposit Requirements
R	Equal Payment Plan
U	Pre Authorized Payment Plan Contract

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## **APPENDIX "A"**

### **Corporate Contacts**

**Kenora Hydro Electric Corporation Ltd.**

**Customer Service:**

**Kenora City Hall, 1 Main Street South, Kenora ON P9N 3X2  
(807) 467-2000, Monday to Friday (excluding holidays) 8:30am to 4:30pm  
service@kenora.ca**

**Operations (including power outages, downed lines, electrical hazards):**

**Box 2680 – 215 Mellick Avenue, Kenora ON P9N 3X8  
(807) 467-2075, Monday to Friday (excluding holidays) 7:30am to 4:30pm  
After hours emergency (807) 467-2080**

**President: Dave Sinclair**

<b>Department</b>	<b>Contact Name</b>	<b>Title</b>	<b>Phone #</b>
Customer Service	Heather Kasprick	Co-ordinator	(807) 467-2295
	Arleen Wilcox	Customer Service Rep	(807) 467-2000
	Joelle Lemay	Customer Service Rep	(807) 467-2000
	Heather McKim	Customer Service Assistant	(807) 467-2000
Billing	Heather Kasprick	Co-ordinator	(807) 467-2295
	Melanie Reynard	Billing Clerk	(807) 467-2137
	Heather McKim	Billing Clerk	(807) 467-2289
Collections	Bill Ranger	Co-ordinator	(807) 467-2024
	Darlene Hancock	Collections Clerk	(807) 467-2268
Corporate Contact	Dave Sinclair	President & CEO	(807) 467-2075
	Janice Robertson	Manager of Finance and Regulatory Affairs	(807) 467-2014
	Diane Giles	Administrative Assistant	(807) 467-2075
Operations	Mike Tivy	Superintendent	(807) 467-2076

## APPENDIX “B”

### Demarcation Points & Charges for Connection Assets

(KHECLCOS – 210 – 01, KHECLCOS – 210 – 02, KHECLCOS-310-01,  
KHECLCOS-320-01, KHECLCOS-330-01)

#### Residential – Single Service

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Overhead (Not requiring transformation facilities on customer's property)	Top of <i>Customer's</i> service mast.	Equivalent credit for up to 30m O/H service line from KHECL's supply pole or lines, transformation equipment based on Class average consumption and installation.	See Appendix C	Actual costs for <i>connection assets</i> and installation beyond Basic Connection Fee.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL
Underground (Not requiring transformation facilities on customer's property)	Secondary bushings of padmount transformer	Equivalent credit for up to 30m O/H service line from KHECL's supply pole or lines, transformation equipment based on Class average consumption and installation.	See Appendix C	Actual costs for <i>connection assets</i> and installation beyond Basic Connection Fee.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL
Underground or overhead (Requiring transformation facilities on customer's property)	Dead-end insulator, including connection lead wire, on <i>Customer</i> pole located within 10 metres of property line.	Equivalent credit for up to 30m O/H service line from KHECL's supply pole or lines, transformation equipment based on Class average consumption and installation.	See Appendix C	Actual costs for <i>connection assets</i> and installation beyond Basic Connection Fee.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL

#### Residential – Site Plan Development

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Underground Secondary Service from transformer to meter base.	Secondary bushings of padmount transformer	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL
Underground expansion of distribution system.	Secondary bushings of padmount transformer	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL

### Residential – Subdivision Agreement

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Underground Secondary Service from transformer to meter base.	Secondary bushings of padmount transformer	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL
Underground <i>expansion of distribution system.</i>	Secondary bushings of padmount transformer	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL

### General Service Up to 50 kW – Single Service

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Overhead	Top of <i>Customer's</i> service mast	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL
Underground	Secondary bushings of padmount transformer	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL

### General Service 51 kW to 500 kW – Site Plan Development

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Underground	Secondary bushings of padmount transformer  OR secondary bus stub in transformer vault room	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL. Changes to existing KHECL plant required to service customer.



### General Service 501 kW to 5000 kW – Site Plan Development

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Underground 12.5kv when main switch size of 1600A or less  OR  Overhead 12.5kv when main switch size is greater than 1600A	Secondary bushings of padmount transformer  OR  Line side of <i>Customer's</i> 12.5kV substation terminal pole	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL. Changes to existing KHECL plant required to service customer.

### General Service Subdivision

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Underground 12.5kv <i>expansion of distribution system</i>  OR  Overhead 12.5kv <i>expansion of distribution system</i>	Secondary bushings of padmount transformer  OR  Line side of <i>Customer's</i> 12.5kV substation terminal pole.	None	See Appendix C	N/A	Additional or redesign due to changes in initial proposal and associated re-engineering and re-inspections by KHECL. Additional 12.5kV circuits.

### Streetlighting

Service Type	Ownership Demarcation Point	Standard Allowance	Basic Connection Fee	Variable Connection Fee	Additional Services Fee
Overhead Single Service	Tap connection at base of luminaire mounting arm or bracket	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL
Underground Single Service	Tap connection in streetlight pole hand-hole.	None	See Appendix C	Actual costs for <i>connection assets</i> and installation.	Additional or redesign due to changes in initial proposal and associated re-inspections by KHECL

## APPENDIX "C"

### Basic Connection and Disconnection Fees

(KHECLCOS – 210 – 01, KHECLCOS – 210 – 02, KHECLCOS-240-01,  
KHECLCOS-310-01, KHECLCOS-320-01, KHECLCOS-330-01)

#### Residential – Single Service

Service Type	Ownership Demarcation Point	Basic Connection Fee * (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Overhead (Not requiring individual transformation facilities)	Top of Customer's service mast	\$528.00 (recovered through KHECL regular revenue requirement: to allow for 30m of overhead conductor and transformation capacity)	Actual costs for connection assets and installation beyond \$528.00	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00
Underground (Not requiring transformation facilities on customer's property)	Line side of individual residential service meter base.	\$528.00 (recovered through KHECL regular revenue requirement: to allow for 30m of overhead conductor and transformation capacity)	Actual costs for connection assets and installation beyond \$528.00	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00
Underground or overhead (Requiring transformation facilities on customer's property)	Dead-end insulator, including connection lead wire, on Customer pole located within 10 meters of property line	\$528.00 (recovered through KHECL regular revenue requirement: to allow for 30m of overhead conductor and transformation capacity)	Actual costs for connection assets and installation beyond \$528.00	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

#### Residential – Site Plan Development

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Underground Secondary Service from transformer to meter base.	Line side of individual unit/dwelling meter bases.	None	Actual costs for connection assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00
Underground expansion of distribution system.	Line side of individual unit/dwelling meter bases.	None	Actual costs for connection assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

### Residential – Subdivision Agreement

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Underground Secondary Service from transformer to meter base.	Line side of individual <i>residential</i> service meter bases.	None	Actual costs for <i>connection</i> assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00
Underground expansion of <i>distribution</i> system.	Line side of individual <i>residential</i> service meter bases.	None	Actual costs for <i>connection</i> assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

### General Service Up to 50 kW – Single Service

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Overhead	Top of <i>Customer's</i> service mast	None	Actual costs for <i>connection</i> assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00
Underground	Secondary bushings of padmount transformer	None	Actual costs for <i>connection</i> assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

### General Service 51 kW to 500 kW – Site Plan Development

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Underground	Secondary bushings of padmount transformer  OR secondary bus stubb in transformer vault room	None	Actual costs for <i>connection</i> assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

### General Service 501 kW to 5000 kW – Site Plan Development

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Underground 12.5kv when main switch size of 1600A or less  OR Overhead 12.5kv when main switch size is greater than 1600A	Secondary bushings of padmount transformer  OR Line side of Customer's 12.5kV substation terminal pole	None	Actual costs for connection assets and installation.	Business hours: \$ 750.00 After hours: \$1,500.00

\* - Subject to annual review

### General Service Subdivision

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Underground 12.5kv expansion of distribution system  OR Overhead 12.5kv expansion of distribution system.	Secondary bushings of padmount transformer  OR Line side of Customer's 12.5kV substation terminal pole	None	Actual costs for connection assets and installation.	At meter: Business hours: \$ 65.00 After hours: \$185.00 At pole/transformer: Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

### Streetlighting

Service Type	Ownership Demarcation Point	Basic Connection Fee* (for Standard Allowance)	Variable Connection Fee*	Service Disconnection Fee* (If requested by customer)
Overhead Single Service	Tap connection at foot of luminaire mounting arm or bracket	None	Actual costs for connection assets and installation.	Business hours: \$185.00 After hours: \$415.00
Underground Single Service	Tap connection in streetlight pole hand-hole.	None	Actual costs for connection assets and installation.	Business hours: \$185.00 After hours: \$415.00

\* - Subject to annual review

## Appendix "D"

### Offer To Connect - Residential Subdivision

DATE

Company Name

Address

POS CDE

Attention:

Dear Sir:

**RE: Offer to Connect  
Residential Subdivision Development  
*Project Name***

---

Further to our recent correspondence, please accept this letter as the Offer to Connect for the expansion of the distribution system for the above mentioned subdivision.

#### 1. Expansion Facilities and Connection Assets

The planning and engineering data you have provided have been used to prepare preliminary electrical servicing plans for the proposed development that meet Kenora Hydro Electric Corporation Ltd.'s ( KHECL) connection requirements. These plans are described in the electrical servicing drawings that were forwarded with our earlier correspondence.

#### 2. Required Capital Contribution

KHECL's capital costs for this expansion are estimated to be:

Preliminary Engineering Design: \$ 0 per residential service

Installed Cost: \$ x,xxx per residential service

Total: \$ x,xxx per residential service

Based on current plans for xxx residential services, the total expansion capital costs are \$ xxx,xxx.

Capital costs for enhancement of KHECL's distribution system to accommodate the expansion are \$xxx per residential service for a total of \$xxx,xxx.

KHECL's economic evaluation of this expansion as described in Kenora Hydro Electric Corporation Ltd.'s Condition of Service KHECLCOS-210-02 results in a required capital contribution from you of \$xxx,xxx

### 3. Applicable Connection Charges

Connection asset costs, with the exception of the Distributor Material, Labour & Equipment variable connection cost, have been included in the expansion capital costs in Section 2 above. The Distributor Material, Labour & Equipment variable connection cost will be settled on a monthly basis as residential services are connected. Based on the preliminary electrical servicing drawings, the connection asset charges are:

(a) Individual Residential Services	
i. Basic Connection Fee (For standard allowance):	\$0.00
ii. Variable Connection Fee Distributor Material, Labour & Equipment:	\$xxx.xx per residential service
iii. Other Variable Connection Assets Material, Labour & Equipment included in the expansion capital costs in Section 2 above:	Actual costs of transformers and secondary cable, conduit, splices and installation as necessary to connect all residential services.
(b) Streetlights	
i. Basic Connection Fee (For standard allowance):	\$0.00
ii. Variable Connection Fee: Distributor Material, Labour & Equipment:	\$0.00 per connection to a transformer
iii. Other Variable Connection Assets Material, Labour & Equipment included in the expansion capital costs in Section 2 above:	Actual costs of streetlight cable, conduit, splices, fuses and installation as necessary to connect all streetlights.

### 4. Nature of Offer

This offer is based on estimated costs and actual settlement will be based on actual costs.

## 5. Alternative Bids

You may obtain alternative bids and retain a qualified contractor for all work which does not involve existing circuits related to the expansion and connection assets as shown in the enclosed electrical servicing drawings. This will require you to enter into the enclosed Electrical Plant Agreement for Expansion Facilities and Connection Assets Supplied by Developer – Residential Subdivision (the “Developer Electrical Plant Agreement”).

Should you choose not to obtain alternative bids, then you will be required to enter into the Electrical Plant Agreement for Expansion Facilities and Connection Assets Supplied by Distributor – Residential Subdivision (the “Distributor Electrical Plant Agreement”) (collectively the “Agreements”).

The Agreements detail the requirements and responsibilities of the Developer and KHECL for construction of the expansion and connection assets, as well as settlement of applicable inspection, testing and approval charges on a fee-for-service basis, capital contribution, and performance guarantee amounts.

You will be responsible for the costs of the applicable inspection, testing and approvals noted above as well as the cost of the final connections of the expansion facilities to Kenora Hydro Electric Corporation Ltd.'s existing distribution system.

These costs are:

Administration & Testing	\$ xxxxx
Inspections	\$ xxxxx
<u>Primary Distribution Connections</u>	<u>\$ Not Applicable</u>
Total	\$ xxxxx (\$xxx per lot)

Should the alternative bid process be selected, the following summary of charges and credits are applicable:

Variable Connection Fee:	\$xxx per lot
Inspection, Testing & Connection Cost:	\$xxx per lot
Developer's portion of Expansion & Enhancement	
<u>Capital Costs under alternate bid option:</u>	<u>\$(xxx) per lot</u>
Total due from (to) Developer:	\$(xxx) per lot

## 6. Street Lighting

Please note that KHECL's offer to connect does not include the City of Kenora street lighting. Supply and installation of street lighting is in accordance with plans and specifications approved by The Corporation of the City of Kenora. The financial and security requirements for the design, supply and installation of the street lighting shall be as prescribed by the Subdivision

Agreement between the Developer and The Corporation of the City of  
Kenora.

Enclosed with our letter of xxxxxx, 2003 were copies of KHECL's Condition of Service KHECLCOS-210-02 and referenced appendices KHECLCOS-500 Appendix B and C describing expansions and charges for connection assets. A complete set of KHECL's Conditions of Service are available for review at our offices at 215 Mellick Avenue or on our web site at [www.city.kenora.on.ca](http://www.city.kenora.on.ca) or in hard copy at a cost of \$170.00 plus applicable taxes.

Should you choose to pursue alternative bids for this expansion, then copies of Kenora Hydro's planning, engineering and design specifications will be made available to you upon request at no charge.

This Offer to Connect is valid for a period of 30 calendar days. Please confirm this offer and the conditions under which you wish to proceed with the connection of your development by signing both copies in the appropriate place on the following pages. Keep one copy for your records and return one copy to the undersigned.

Yours truly,

*Name*  
*Title*  
*LDC name*

Encl. Offer Acceptance (2 copies)  
Revised Capital Contribution Summary



Offer to Connect  
Residential Subdivision Development  
***Project Name***

Offer Acceptance

**(A) Distributor Constructed Expansion and Connection Assets**

I waive my right to obtain alternative bids for the construction of the expansion and connection assets. I agree to the Distributor Electrical Plant Agreement and to be bound by its terms and conditions as well as those contained in this Offer to Connect and KHECL's Conditions of Service.

**Developer**

Per: \_\_\_\_\_  
Name  
Title

Date: \_\_\_\_\_

**(B) Developer Constructed Expansion and Connection Assets**

I will be obtaining alternative bids and retaining a qualified contractor for the construction of the expansion and connection assets. I agree to the Developer Electrical Plant Agreement and to be bound by its terms and conditions as well as those contained in this Offer to Connect and KHECL's Conditions of Service.

**Developer**

Per: \_\_\_\_\_  
Name  
Title

Date: \_\_\_\_\_



## APPENDIX E (i)

DATE

Dear Sir:

Re: Capital Contribution – General Service

Further to our last conversation, since it now appears that the alignment for the primary electrical servicing to the xxxxxxxxxxxxxx has been determined please accept this letter as the Offer to Connect for the above noted facility.

### 1. Connection Assets

The planning data you have provided has been used to prepare preliminary electrical servicing plans for the site to meet Kenora Hydro Electric Corporation Ltd's (KHECL) connection requirements.

The servicing as follows:

- xxxx KW connected demand @ xxx/xxx V, x Ø
- xxx KW expected demand @xxx/xxx V, x Ø
- Underground primary feed from existing KHECL switching kiosk. transformer Trench to be shared with KMTS and Union Gas as per our approved drawings.
- Customer to provide trenching/backfilling and conduit from kiosk to transformer base.
- All work to be completed in accordance to Kenora Hydro and the Electrical Safety Authority Codes and Standards.
- Customer to provide and install transformer base.
- KHECL to provide transformer, all primary connections, grounding, and labour to connect.
- Customer to provide all secondary work and material including conductor, connections, and metering equipment, exclusive of the meter.

2. Required Capital Contribution:

KHECL's capital costs for this service are estimated to be:

➤ Transformer	\$xx,xxx
➤ Conductor xxx metres @ \$xx.	xx,xxx
➤ Terminations and miscellaneous material	x,xxx
➤ Easements	x,xxx
➤ Labour and equipment	<u>x,xxx.</u>
	\$xx,xxx.

The capital contribution required is \$xx,xxx. plus applicable taxes.

A full economic evaluation of the connection of this service will be completed to determine if the required capital contribution can be lowered.

3. Nature of Offer:

This offer is based on estimated costs however we are prepared to accept this proposal as a firm cost.

4. Alternative Bids:

You may obtain alternative bids and retain a qualified contractor for all work that KHECL is to perform or all work which does not involve existing circuits related to the connection assets.

If you chose the alternative bid process you will be responsible for the costs of the applicable inspections, testing, and approvals noted above as well as the cost of the final connections of the facilities to KHECL's existing distribution system.

Should the alternative bid process be selected, the following summary of charges are applicable.

➤ Inspection	\$xxx.
➤ Testing	xxx.
➤ Connection	<u>xxx.</u>
➤ Total	\$xxx. plus applicable taxes

A complete set of KHECL's Conditions of Service are available for review at our office at 215 Mellick Avenue or in a hard cover at a cost of \$xxx. plus applicable taxes.

Should you choose to pursue alternative bids for this connection then copies of Kenora Hydro's planning, engineer and design specifications will be made available to you upon request at no charge.

This Offer to Connect is valid for 60 calendar days. Please confirm this offer and the conditions under which you wish to proceed with the connection of this facility by signing both copies in the appropriate place on the following pages. Keep one copy for your records and return one copy to this office.

Should you require anything further please feel free to contact this office.

Sincerely

D.E. (Dave) Sinclair  
President & CEO

Offer to Connect

XXXXXXXX

Offer Acceptance

**A. Distributor Constructed Connection Assets**

I waive my right to obtain alternative bids for the connection assets. I agree to the terms and conditions as contained in the Offer to Connect and KHECL's Conditions of Service.

**Developer/Owner**

Per: \_\_\_\_\_  
Name and Title

Date: \_\_\_\_\_

**B. Developer Constructed Connection Assets**

I will be obtaining alternative bids and retaining a qualified contractor for the construction of connection assets in accordance to KHECL's design specifications and Electrical Safety Authority Codes. I agree to the terms and conditions as contained in this Offer to Connect and KHECL's Conditions of Service.

**Developer/Owner**

Per: \_\_\_\_\_  
Name and Title

Date: \_\_\_\_\_

Offer to Connect

XXXXXXXX

Offer Acceptance

**A. Distributor Constructed Connection Assets**

I waive my right to obtain alternative bids for the connection assets. I agree to the terms and conditions as contained in the Offer to Connect and KHECL's Conditions of Service.

**Developer/Owner**

Per: \_\_\_\_\_  
Name and Title

Date: \_\_\_\_\_

**B. Developer Constructed Connection Assets**

I will be obtaining alternative bids and retaining a qualified contractor for the construction of connection assets in accordance to KHECL's design specifications and Electrical Safety Authority Codes. I agree to the terms and conditions as contained in this Offer to Connect and KHECL's Conditions of Service.

**Developer/Owner**

Per: \_\_\_\_\_  
Name and Title

Date: \_\_\_\_\_





## APPENDIX E (ii)

Date

Dear

Re: Offer to Connect – Residential Service

Further to your letter of xxxxxxxxxx please accept this letter as the Offer to Connect for the above noted facilities.

1. Connection Assets

The planning data you have provided has been used to prepare preliminary electrical servicing plans for the site to meet Kenora Hydro Electric Corporation Ltd's (KHECL) connection requirements.

Your service will be provided secondary voltages of xxxxxx volt single-phase and the consumption is expected to be approximately xxxxxx kwhr annually.

Kenora Hydro to supply and install:

- xxxxxx meters of xxxxxx cable
- xx poles and mounts
- xxx metres of a x metre right-of-way clearing

2. Required Capital Contribution

KHECL's capital costs for this service are estimated to be:

• x poles and mounts	\$ xxxxxxxx
• xxx metres conductor	xxxxxx
• easements	xxxxxx
• miscellaneous material	xxxxxx
• labour/equipment	<u>xxxxxx</u>
<b>Total</b>	<b>\$ xxxxxxxx</b>

As such, and with the expected capital costs of \$xxxxxxx less basic service allowance of \$528.00 your total capital contribution is \$xxxxxxx plus applicable taxes.

3. Nature of Offer

This offer is based on estimated costs but will not exceed the above noted contribution from you.

Please also note that this price doesn't include any costs associated with easement procurement.

4. Alternative Bids

You may obtain alternative bids and retain a qualified contractor for all work which does not involve existing circuits related to the connection assets.

If you choose to use the alternative bid process, you will be responsible for the costs of the applicable inspections and testing as well as the cost of the final connection of the facilities to KHECL's existing distribution system.

Should the alternative bid process be selected, the basic connection allowance of \$528.00 will be sufficient to cover KHECL's costs of inspecting and connecting these assets.

If you choose the alternative bid process, you or your contractor will be responsible for all KHECL's work as identified in Part 1 – Connection Assets, including permits.

Enclosed with this letter is a copy of KHECL's Conditions of Service KHECLCOS210-01 and Appendix C describing charges for connection fees. A complete set of KHECL's Conditions of Service are available for review at our office at 215 Mellick Avenue or in a hard cover at a cost of \$170.00 plus applicable taxes.

Should you choose to pursue alternative bids for this connection, copies of Kenora Hydro's planning, engineering and design specifications will be made available to you upon request at no charge.

This Offer to Connect is valid for a period of 60 calendar days. Please confirm this offer and the conditions under which you wish to proceed with the connection of the extensions by signing both copies in the appropriate place on the following pages. Keep one copy for your records and return one copy to this office.

Should you require anything further please feel free to contact this office.

Sincerely,

D.E. (Dave) Sinclair  
President & CEO



Offer to Connect  
Residential Service

Offer Acceptance

**Distributor Constructed Expansion and Connection Assets**

I waive the right to obtain alternative bids for the construction of the expansion and connection assets. I agree to the Offer to Connect and KHECL's Conditions of Service.

**Owner**

Per: \_\_\_\_\_  
Name

Date: \_\_\_\_\_

**Owner Constructed Expansion and Connection Assets**

I will be obtaining alternative bids and retaining a qualified contractor for the construction of the expansion and connection assets. I agree to the Developer Electrical Plant Agreement and to be bound by its terms and conditions as well as those contained in the Offer to Connect and KHECL's Conditions of Service.

**Owner**

Per: \_\_\_\_\_  
Name

Offer to Connect  
Residential Service

Offer Acceptance

**Distributor Constructed Expansion and Connection Assets**

I waive the right to obtain alternative bids for the construction of the expansion and connection assets. I agree to the Offer to Connect and KHECL's Conditions of Service.

**Owner**

Per: \_\_\_\_\_  
Name

Date: \_\_\_\_\_

**Owner Constructed Expansion and Connection Assets**

I will be obtaining alternative bids and retaining a qualified contractor for the construction of the expansion and connection assets. I agree to the Developer Electrical Plant Agreement and to be bound by its terms and conditions as well as those contained in the Offer to Connect and KHECL's Conditions of Service.

**Owner**

Per: \_\_\_\_\_  
Name

## **APPENDIX "H"**

### **Metering and Billing Disputes**

In accordance with the Distribution System Code (Sec. 5.3.12) and the Retail Settlement Code (Article 6), the following are exceptions.

#### **1. Meter Read**

According to Section 5.3.12 of the Distribution System Code, a distributor shall respond to customer and retailer metering disputes, and shall establish a fair and reasonable charge for costs associated with resolution of these disputes. If the complaint is substantiated, the charge shall not be applied. In resolving the dispute, a distributor may use a qualified, independent organization at anytime during the dispute resolution process.

If a customer disputes the meter read and/or consumption billed to him/her, the Customer Service Representative (CSR) will go through the following steps:

1. the CSR will ask if the customer has added any additional electrical appliances such as electric baseboard heaters, Christmas lights, outdoor hot tub, etc,
2. if the customer has not added any additional appliances, the CSR will access the customer's account on the HTE system and compare current consumption against previous months to determine if the consumptions are comparable
3. if the current consumption is not comparable to previous months, or the customer is still not satisfied, the CSR will place a request to have the customer's meter re-read.

The CSR will document the customer's concerns on their account in the HTE system. The CSR will advise the customer that the new read will be performed as soon as possible. If the original read was incorrect, the customer's account will be adjusted accordingly.

If the meter reading is correct the meter reader will attempt to satisfy the customer concerns by performing a quick visual inspection of the customer's premises to determine if there are any electrical appliances or other such loads that may have contributed to the customer's consumption.

If the customer is still not satisfied, the customer may request a meter accuracy verification through the Industry Canada process. The customer would request this through a CSR, who will place the service order request for the customer, update the customer's account, and forward the work order to Kenora Hydro. Kenora Hydro will follow the meter accuracy verification process provided by Industry Canada. The customer will receive a formal letter from Industry Canada regarding the accuracy of the meter. If the meter is found to be inaccurate according to Industry Canada standards,

the customer's bill will be adjusted accordingly. Industry Canada will determine the credit due the customer and advise Kenora Hydro accordingly. The decision of Industry Canada is final, and is not subject to further dispute or escalation to a higher level of government body. If the meter is found to meet Industry Canada specifications, the customer will be billed \$ 30.00 for a meter dispute charge, as approved by the Ontario Energy Board.

## **2. Charges on the Customer's Hydro Bill**

### **2.1 Service Charge**

The service charge is a flat rate that is charged to every Kenora Hydro customer. This charge is to cover any fixed costs such as administrative costs, billing, collection, meter reading, etc. This charge has been submitted to and approved by, the Ontario Energy Board as being a reasonable cost for these functions. This charge is non-negotiable and will not be reduced or removed from the customer's account.

### **2.2 Distribution Volumetric Charge**

The volumetric charge is a per kWh charge for costs associated with the infrastructure required for the delivery of electricity from the Kenora Hydro substation to the consumer's address. This charge has been submitted to and approved by, the Ontario Energy Board as being a reasonable cost for this function. This charge is non-negotiable and will not be reduced or removed from the customer's account.

### **2.3 Demand Charges (general service accounts)**

Associated with the distribution volumetric charge is the demand charge for large customers. All general service customers pay the distribution volumetric charge however only customers over 50 kW would pay a demand charge. The demand charge is to account for the additional incremental costs that are incurred during a peak consumption period. The demand charge is based on the highest 15 minute peak each month. This charge is non-negotiable and will not be reduced or removed from the customer's account.

### **2.4 Retirement of Ontario Hydro's Stranded Debt**

This is a flat rate charge that every hydro customer in Ontario has been billed. It will be used to pay down the debt incurred by the former Ontario Hydro. This charge is non-negotiable and will not be reduced or removed from the customer's account.



# Appendix I

## CITY OF KENORA TELEPHONE/HYDRO/SEWER/WATER CONTRACT RESIDENTIAL

Current Date:	12-Jun-07	HYDRO ACCOUNT NO:	
Effective Date Telephone:		Res. Tel. No.	
Effective Date Hydro:	Hydro	Sewer	Water
		Water Delivery	

The following is the applicant's information for account and credit purposes:

Applicant's Surname:		Given Name:		Previous account with the City?
Applicant's S.I.N.:		App's D.L.N.		Yes <input type="checkbox"/> No <input type="checkbox"/>
Telephone No.:		Date of Birth:		If yes, what type of account?
Street No. / Box No.:				
City:		Prov.:		Postal Code:
Service Address:				
Previous Address:				
Applicant's		TEL.		reference from another utility?
Employment Info.:		FAX		Yes <input type="checkbox"/> No <input type="checkbox"/>
Co-Applicant's Surname:		Given Name:		Satisfactory Credit Established?
Co-Applicant's S.I.N.:		Co-App's D.L.N.:		(If no accounts held with the City
Telephone No.:		Date of Birth:		in the past, then we are in
Street No. / Box No.:				
City:		Prov.:		Postal Code:
Employment Info.:				
Landlord Name:				
Telephone No.:				
Street No. / Box No.:				
City:		Prov.:		Postal Code:
Special Instructions:				

I have reviewed the Terms of Agreement, and hereby agree to all terms as outlined:

Applicant's Signature \_\_\_\_\_ Co-Applicant / Guarantor's (Co-Signer) Signature \_\_\_\_\_ Utility Dept. Approval \_\_\_\_\_

PERSONAL INFORMATION CONTAINED ON THIS FORM IS COLLECTED PURSUANT TO THE MUNICIPAL ACT, 2001 AND WILL BE USED FOR THE PURPOSE OF ESTABLISHING UTILITY SERVICES. QUESTIONS ABOUT THIS COLLECTION SHOULD BE DIRECTED TO: THE FREEDOM OF INFORMATION AND PRIVACY COORDINATOR, CITY OF KENORA, ONE MAIN STREET SOUTH, KENORA, ON P9N 3X2 (807)467-2027.



## Appendix J

CITY OF KENORA		TELEPHONE/HYDRO/SEWER/WATER CONTRACT				COMMERCIAL	
Current Date:	12-Jun-07				HYDRO ACCOUNT NO:		
Effective Date Telephone:					Res. Tel. No.:		
Effective Date Hydro:		Hydro:		Sewer:		Water:	
						Water Delivery:	
<b>The following is the applicant's information for account and credit purposes:</b>							
Business Name (will appear on invoice):							
Applicant's Surname:				Given Name:			
Applicant's S.I.N.:				App's D.L.N.:			
Telephone No.:				Date of Birth:			
Street No. / Box No.:							
City:		Prov.:		Postal Code:			
Service Address:							
Previous Address:							
Co-Applicant's Surname:				Given Name:			
Co-Applicant's S.I.N.:				Co-App's D.L.N.:			
Telephone No.:				Date of Birth:			
Street No. / Box No.:							
City:		Prov.:		Postal Code:			
Co-Applicant:							
Employment Info.:							
Landlord Name:							
Telephone No.:							
Street No. / Box No.:							
City:		Prov.:		Postal Code:			
Special Instructions:							
I have reviewed the Terms of Agreement, and hereby agree to all terms as outlined:							
Applicant's Signature				Co-Applicant / Guarantor's (Co-applicant) Signature			
				Utility Dept. Approval			
PERSONAL INFORMATION CONTAINED ON THIS FORM IS COLLECTED PURSUANT TO THE MUNICIPAL ACT, 2001 AND WILL BE USED FOR THE PURPOSE OF ESTABLISHING UTILITY SERVICES. QUESTIONS ABOUT THIS COLLECTION SHOULD BE DIRECTED TO: THE FREEDOM OF INFORMATION AND PRIVACY COORDINATOR, CITY OF KENORA, ONE MAIN STREET SOUTH, KENORA, ON P9N 3X2 (807)467-2027.							

## **APPENDIX “K”**

### **Embedded Generator – Connection Agreement**

*Not available at this time.*

## **APPENDIX “L”**

### **Embedded Generator – MSP Agreement**

*Not available at this time.*



## **APPENDIX "M"**

### **UNMETERED CONNECTION AGREEMENT**

This Unmetered Connection Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

**BETWEEN Kenora Hydro Electric Corporation Ltd.**, a distributor licensed by the Ontario Energy Board ("Kenora Hydro")

**AND the City of Kenora.**, (the "City")

**WHEREAS** the City owns the streetlights, traffic lights and other navigational lights within the Distributor's service area, and

**WHEREAS** Kenora Hydro is responsible for the maintenance and operation of the above-noted lights, and

**WHEREAS** the City is responsible for the cost of the maintenance and operation of the above-noted lights, including monthly electricity charges,

**NOW THEREFORE** for and in consideration of the covenants and conditions hereinafter set forth, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties mutually agree as follows:

#### **1. Responsibilities of the Parties**

Both parties are bound by the terms and conditions set out in the Service Agreement between the City of Kenora and Kenora Hydro Electric Corporation Ltd.

#### **2. Cost of Maintenance and Operation**

The City, as the owner of all streetlights, traffic lights and other navigational aides within the City's boundaries is responsible for the cost of maintaining and operating said lights. The cost of maintenance will be in accordance with Section 2 of the Service Agreement between the City and Kenora Hydro. The cost of electricity (distribution and commodity) will be in accordance with the OEB's approved rate structure for Kenora Hydro.

## **APPENDIX "N"**

### **Service Agreement For A Retailer**

Kenora Hydro Electric Corporation Ltd will utilize Appendix C – Service Agreement in the Retail Settlement Code as provided by the OEB if approached by a retailer to enter into a service agreement. A copy of the current template follows.

Article 1 - Interpretation	4
1.1    Definitions	4
1.2    Sections and Headings	4
1.3    Number and Gender	4
Article 2 - Scope and Term	5
2.1    Entire Agreement	5
2.2    Relationship of the Parties	5
2.3    Effective Date	5
2.4    Termination	5
Article 3 - Security Arrangements	6
3.1    Type of Security	6
3.2    Details of Security Arrangements	6
Article 4 - Financial Arrangements	7
4.1    Billing	7
4.2    Payment	7
Article 5 - Confidential Information	8
Article 6 - Dispute Resolution	9
6.1    Exclusivity	9
6.2    Duty to Negotiate	9
6.3    Referral of Unresolved Disputes	9
6.4    External Arbitration Procedures	9
6.5    Appointment of Arbitrator	10
6.6    Written Statement of Dispute and Response	10
6.7    Discovery of Facts	10
6.8    Confidentiality of Documents	11
6.9    Procedural Rules	11
6.10   Decision Requirements	11
6.11   Finality of Decisions	11
6.12   Arbitration Act	11
6.13   Costs	12
Article 7 - General	13
7.1    Waiver	13
7.2    Amendments and Modifications to this Agreement	13
7.3    Assignment and Delegation	13
7.4    Severability	14
7.5    Notices	14

7.6	Statutes	14
7.7	Applicable Law	15
7.8	Time	15
7.9	Calculation of Time	15
7.10	Further Assurances	15
7.11	Counterparts and Execution by Fax	15
7.12	Binding Effect	15
APPENDIX A		16-19
APPENDIX B		20
APPENDIX C		21-24
APPENDIX D		25
APPENDIX E		26

## SERVICE AGREEMENT

This Service Agreement made this \_\_\_\_\_ day of \_\_\_\_\_,

**BETWEEN** Kenora Hydro Electric Corporation Ltd., a distributor licensed by the Ontario Energy Board (the "Distributor")

**AND** \_\_\_\_\_, a retailer licensed by the Ontario Energy Board (the "Retailer")

From time to time, the Retailer and the Distributor shall be individually referred to in this Agreement as a "Party" and collectively as the "Parties."

**WHEREAS** the Retailer wishes to retail electricity to consumers in the service area of the Distributor and utilise retail settlement services offered by the Distributor; and

**WHEREAS** the Distributor is required by Chapter 12 of the Retail Settlement Code to enter into a Service Agreement with each retailer licensed by the Ontario Energy Board (the "Board") who wishes to retail electricity to consumers in the service area of the Distributor and utilise retail settlement services offered by the Distributor; and

**WHEREAS** the form of this Agreement is an Appendix to the Retail Settlement Code, has been approved by the Board, and may not be waived, altered, amended or modified, except as provided herein or as authorized by the Board,

**NOW THEREFORE** for and in consideration of the covenants and conditions hereinafter set forth, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties mutually agree as follows:

## ARTICLE 1 - Interpretation

### *Article 1.1 Definitions*

Unless otherwise defined in this Agreement, words and phrases shall have the meaning ascribed to them in the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Schedule B, the *Electricity Act*, 1998, S.O. 1998, c.15, Schedule A, or the Retail Settlement Code as the case may be.

In this Agreement:

"Act" means the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B;

"Agreement" means this agreement, all exhibits and appendices referenced herein and attached hereto and all other documents incorporated by reference pursuant to the terms hereof;

"Business Day" means any day that is not a Saturday, Sunday or statutory holiday as defined in the Province of Ontario;

"Confidential Information" means all confidential information concerning the business, operations, financing and affairs of the Parties, including without limiting the generality of the foregoing, the following:

- (a) all trade secrets and know-how of either Party;
- (b) all information relating to either Party or to any person with which either Party does business and which is not generally known;
- (c) a Party's customer's list and records;
- (d) a Party's marketing, pricing and sales policies, techniques and concepts;
- (e) the habits and preferences of a Party's customers and prospective customers; and
- (f) a Party's financial records;

"Electricity Act" means the *Electricity Act*, 1998, S.O. 1998, c.15, Schedule A;

"person" means an individual, partnership, corporation, association, or other incorporated or unincorporated organization or legal entity;

"Retail Settlement Code" or "Code" means the Retail Settlement Code approved by the Board.

1.2 *Sections and Headings*

The division of this Agreement into Articles, sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 *Number and Gender*

Words importing the singular include the plural and vice versa.

## **ARTICLE 2 - Purpose and Scope and Term**

All appendices referenced in this Agreement and attached hereto shall be considered part of this Agreement and incorporated herein.

### **Article 2.1      Entire Agreement**

- (a) This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and cancels and supersedes any prior understanding and agreements between the Parties with respect to the same.
- (b) The Parties are bound by the terms set forth in this Agreement and incorporated by reference.
- (c) A reference to a document or a provision of a document includes any amendment or supplement to, or any replacement of, that document or that provision of that document.
- (d) Notwithstanding any provision or agreement to the contrary, the Parties agree that they are bound by the terms of the Retail Settlement Code as amended from time to time and agree that the Retail Settlement Code forms part of this Agreement.

### *Article 2.2      Relationship of the Parties*

- (a) Nothing in this Agreement shall be construed to establish a partnership, joint venture, group, pool or, syndicate or agency between the parties. No provision contained herein shall be construed as authorizing or empowering either Party to assume or create any obligation or responsibility whatsoever, express or implied, on behalf, or in the name, of the other Party in any manner, or to make any representation, warranty or commitment on behalf of the other Party, except as shall be provided for herein.
- (b) Each Party, by agreeing to undertake specific activities and responsibilities for or on behalf of customers, acknowledges that each Party shall relieve and discharge the other Party of the responsibility for said activities and responsibilities with respect to those customers.

### *Article 2.3 Term of Agreement Effective Date*

The term of this Agreement shall commence on the date of execution of this Agreement by the last Party to execute the Agreement (the "Effective Date").

### *Article 2.4      Termination*

- (a) **Mandatory Termination**  
This Agreement shall terminate on the earlier of:

- (i) the date the Retailer informs the Distributor that it no longer is operating as a retailer in the Distributor's service territory;
- (ii) the date of suspension, revocation, cancellation, or non-renewal of the Retailer's licence.

(b) **Permissive Termination**

Either Party shall have the option to terminate (the "Terminating Party") if either Party materially defaults in the payment or performance of any material obligation provided for in this Agreement ("Event of Default"). Where an Event of Default has occurred, the Terminating Party may give notice, in accordance with section 7.5, setting out details of the Event of Default. The Agreement shall terminate after 10 Business Days have elapsed from the giving of notice by the Terminating Party, unless the other Party gives notice within that time period, in accordance with section 7.5, that the Event of Default has been rectified. If the Terminating Party does not accept the actions taken by the Defaulting Party to rectify the Event of Default, either Party may seek a conclusive determination of the issue in accordance with Article 6 of this Agreement.

- (c) Articles 5 and 6 and section 7.5 survive the termination of this Agreement.



## **ARTICLE 3 - Security Arrangements**

### *Article 3.1 Type of Security*

The Distributor shall, in accordance with the Retail Settlement Code, accept any of the type or types of security which the Retailer chooses to provide from the types of security listed in the first paragraph of section 8.3 of the Retail Settlement Code. The Distributor may refuse the security proposed by the Retailer based on the quality of the security which the Retailer proposes to provide. The Distributor may not act unreasonably or in a discriminatory manner in refusing the security proposed by the Retailer.

### *Article 3.2 Details of Security Arrangements*

Appendix B to this Agreement shall contain the following information:

- (a) the frequency with which the Distributor intends to update the amount of security required which, in accordance with the Retail Settlement Code, shall be at least every three months;
- (b) a description of the type or types of security that will be provided by the Retailer;
- (c) contact information for any financial or other institutions involved in the security arrangements;
- (d) a listing of any legal documents such as a surety bond or letter of credit related to the security arrangements; and
- (e) any other terms and conditions related to security arrangements negotiated between the Distributor and the Retailer in addition to the matters referred to in this Agreement.

## **ARTICLE 4 - Financial Arrangements**

### *Article 4.1 Billing*

- (a) If the Retailer chooses distributor-consolidated billing and the Distributor is not providing rate-ready billing to the Retailer, the Retailer shall provide bill-ready information to the Distributor within the time period established by the Distributor and set out in Appendix C to this Agreement. If bill-ready information is not provided by the Retailer within the time period set out in Appendix C, the Distributor may send a bill to the Retailer's consumer covering all charges for non-competitive electricity services. A distributor shall continue to issue settlement statements in accordance with section 7.2.1 of the Retail Settlement Code in order to collect the cost of competitive electricity services calculated according to Chapter 3 of the Retail Settlement Code. The Retailer remains liable to the Distributor for all charges for competitive electricity services incurred by the Distributor on behalf of the Retailer.
- (b) Where the Retailer chooses distributor-consolidated billing, the Distributor shall include, with the first bill submitted by the Distributor to the Retailer for monies owed to the Distributor, the following information:
  - (i) a summary of the Distributor's meter reading practices by customer category;
  - (ii) a list of languages in which the distributor provides billing service;
  - (iii) a statement of the number of days following the meter reading date within which an invoice will be issued to the Retailer with respect to those consumers whose meters were read;
  - (iv) a summary of all charges that will be itemized by consumer account on the invoice presented by the Distributor to the Retailer;
  - (v) summary of charges for which the Distributor will bill the Retailer according to a different schedule than that described above or that will not be itemized by consumer account, in accordance with the Rate Handbook and sections 7.1.1, 7.2.1 and 7.3.1 of the Retail Settlement Code.
- (c) Where any of the information described in clause (b) changes, the Distributor shall inform the Retailer of the change with the first bill submitted by the Distributor to the Retailer subsequent to the change.

### *4.2 Payment*

- (a) Payments from each Party to the other Party shall be made in accordance with the Code. The Distributor and the Retailer shall set out the information necessary for payment to each Party in Appendix D to this Agreement.

- (b) The form and details of payment shall be in accordance with the specific arrangements negotiated between the Parties and set out in Appendix E and shall include the number of Business Days following the issuance of an invoice that payment is due.

## **ARTICLE 5 - Confidential Information**

### **5.1 Confidentiality**

- (a) Each Party acknowledges and agrees that:
  - (i) all Confidential Information which is furnished to them by or with the concurrence of the other Party or to which they become privy, is furnished to them in confidence;
  - (ii) at all times they shall keep the Confidential Information in the strictest of confidence;
  - (iii) they shall not disclose, directly or indirectly, the Confidential Information to any other person, except as permitted by this Agreement, the Retail Settlement Code or other applicable law;
  - (iv) they shall use the Confidential Information solely to fulfil the rights and obligations of this Agreement;
  - (v) they shall not use, at any time, any Confidential Information for their own benefit or purposes or for the benefit or purposes of any person, other than to further the rights and obligations of this Agreement;
  - (vi) the disclosure of Confidential Information will be highly detrimental to the Party who's information has been disclosed;
  - (vii) they shall indemnify and save harmless the Party from and against any and all Claims occasioned or suffered by the Party as a result of the party disclosing any of the Confidential Information contrary to the provisions of this Article.
- (b) Without prejudice to any other rights of the Parties, the Parties acknowledge and agree that if a Party breaches or otherwise violates, or attempts to breach or otherwise violate, the provisions of this Article, the other Party will likely suffer irreparable harm and an injunction or other like remedy may be the only effective remedy to protect the Party's rights and interests and agree that an interim injunction against such breach or violation may be granted immediately on the commencement of any law suit.
- (c) The provisions of this Article 5 shall apply in addition to, and not in substitution for, all obligations owed by the Parties to each other at law or in equity, including, without limitation, fiduciary duties and duties of confidentiality.
- (d) The restrictions contained in this Article 5 shall not apply to any portion of Confidential Information which becomes generally known to the public, unless the Party in question is responsible for making the Confidential Information known to the public.

## **ARTICLE 6 - Dispute Resolution**

### **6.1**     *Exclusivity*

- (a) Except where this Agreement states otherwise, the dispute resolution procedures set forth in this Article 6 shall apply to all disputes arising between the Distributor and the Retailer regarding this Agreement including the Retail Settlement Code and shall be the only means for resolving any such disputes.
- (b) The dispute resolution procedures set forth in this Agreement do not apply to disputes that have not yet been referred in accordance with paragraph 6.2(a) prior to this Agreement being terminated.

### **6.2**     *Duty to Negotiate*

- (a) Any dispute between the Distributor and the Retailer over this Agreement shall first be referred to a designated representative chosen by the Distributor and to a designated representative chosen by the Retailer for resolution on an informal basis.
- (b) Such designated representatives shall attempt in good faith to resolve the dispute within thirty days of the date when the dispute was referred to them. The Parties may extend such period by agreement in writing.
- (c) Any resolution of the dispute by the designated representatives shall be in writing and shall be executed by an authorized signing officer of each Party. The resolution shall bind the Parties and their respective successors and assigns, and shall not, except for either Party's subsequent failure to abide by the resolution, from then on be subject to arbitration or challenge in any court or other tribunal.
- (d) If either Party refuses to honour the designated representatives' resolution as executed, the other Party may immediately commence arbitration under this Article to enforce the resolution.

### **6.2**     *Referral of Unresolved Disputes*

If the designated representatives cannot resolve the dispute within the time period set out in paragraph 6.2(b), either Party may submit the dispute to binding arbitration and resolution in accordance with the arbitration procedures set out below.

### **6.3**     *External Arbitration Procedures*

- (a) Subject to section 6.5 below, the Parties shall submit any arbitration begun under this section to a single neutral arbitrator.

- (b) In choosing an arbitrator, the Parties shall negotiate in good faith. All arbitrations under this Agreement shall be conducted in accordance with the *Arbitration Act, 1991*, S.O. 1991, c.17 (the "Arbitration Act") as amended from time to time, except as modified herein.
- (c) The arbitrator(s) shall have exclusive authority to hear and decide any dispute between the Parties that is subject to arbitration under this Agreement or the Code.

6.4 *Appointment of Arbitrator*

- (a) If the Parties cannot agree upon a single arbitrator within fifteen days after referring the dispute to arbitration, each Party shall within five more days choose one individual who shall sit on a three-member arbitration panel.
- (b) The two arbitrators chosen by the Parties shall within twenty business days, in good faith, choose a third person to be the third arbitrator, who shall chair the arbitration panel.
- (c) Neither Party may at any time during the arbitration revoke its choice of arbitrator, unless the other Party consents in writing.
- (d) If the Parties do not choose the two arbitrators within the five day time period set out in paragraph 6.5(a), either Party or both Parties may apply to the court to appoint a single arbitrator.
- (e) The individual(s) chosen as the arbitrator(s) shall be qualified by education and experience to decide the matter. The arbitrator(s) shall be at arm's length from all Parties to the arbitration and shall not be members of the audit or legal firm or firms who advise any Party to the arbitration, nor shall the arbitrator(s) be otherwise regularly retained by any of the Parties to the arbitration.

6.5 *Written Statement of Dispute and Response*

- (a) Within twenty business days after the individual arbitrator or arbitration panel are named, the applicant shall submit to the arbitrator(s) a written statement. The statement shall set out:
  - (i) the nature of the dispute and the applicant's position,
  - (ii) the names of each Party's main contact for the arbitration process along with their addresses, phone numbers and fax numbers,
  - (iii) any claims for relief,
  - (iv) the grounds for that relief,

- (v) the proposed resolution or relief sought,
  - (vi) the names of any third Parties with material knowledge or information relevant to the dispute, and
  - (vii) any documents that the Party wishes the arbitrator(s) to consider.
- (b) The responding Party shall have twenty business days to respond to the filing, setting forth its position and the information that it deems relevant.

6.6 *Discovery of Facts*

- (a) There shall be no discovery of facts taken, sought, or otherwise instituted by any means except as approved by the arbitrator(s).
- (b) The arbitrator(s) shall provide a time schedule for any such discovery.
- (c) The arbitrator(s) may at any time retain non-Party technical experts to advise and assist them during the arbitration. The advice of these experts shall be made known to the Parties.

6.7 *Confidentiality of Documents*

All meetings and hearings shall be in private unless the Parties to the arbitration agree otherwise. The Party providing any document or other information in the arbitration that would not otherwise be available to the other Party may in good faith designate it as confidential, provided that the Parties shall first submit to the arbitrator(s) an agreed upon written statement of procedures for handling and protecting material designated as confidential, which the arbitrator(s) may accept or modify as they may deem appropriate. If the Parties cannot agree upon confidentiality procedures, the arbitrator(s) shall decide them as appropriate.

6.8 *Procedural Rules*

- (a) The arbitrator(s) may adopt any procedural rules that they, at their sole discretion, deem appropriate to conducting the arbitration and facilitating the resolution of the dispute.
- (b) No procedural rule adopted by the arbitrator(s) shall extend the time period set forth in paragraph 6.10(a); but the arbitrator(s) shall render a final disposition of the dispute within that period, which may not be extended or reduced unless the Parties consent in writing.
- (c) Refusal by either Party to comply with an order of the arbitrator(s) adopting or modifying any procedural rule shall constitute, in the sole discretion of the arbitrator(s), grounds for default and a finding in favour of the other Party.

6.9 *Decision Requirements*

- (a) Any dispute submitted for arbitration under this Article 6 shall be finally decided by the arbitrator(s) no later than thirty days from the completion of the hearing.
- (b) Unless the Parties agree otherwise in writing, the final decision of the arbitrator(s) shall set forth in writing their findings of fact and any conclusions of law and be based on the evidence before them, the applicable laws of Ontario and Canada, the Market Rules, the licences and Codes issued by the Board and any the Agreement and any relevant decisions of courts, agencies, or earlier arbitrations under this Part.
- (c) A copy of the decision, with any Confidential Information expunged, shall be made available to the public.

6.10 *Finality of Decisions*

- (a) The decision shall be final and binding on the Parties to the arbitration and shall not be subject to any appeal or review procedure.
- (b) Each Party hereby waives any and all rights or ground it believes that it has, or at any time after may have, to challenge, appeal in any way, or otherwise seek to set aside in any court or other tribunal any decision by the arbitrator(s).
- (c) Notwithstanding anything else in this subsection, if either Party fails to act in accordance with the decision of the arbitrator(s), the other Party may then seek enforcement of the decision in any court of competent jurisdiction.

6.11 *Arbitration Act*

- (a) Nothing in this Code shall be construed as affecting any rights available to the Parties under section 3 of the Arbitration Act.
- (b) If and so far as any provision of section 6.10 is adjudged or otherwise deemed invalid by a court of competent jurisdiction, the provisions of the Arbitration Act shall apply.

6.13 *Costs*

- (a) The arbitrator(s) shall award costs for an arbitration as if it had been a proceeding in Ontario Superior Court, and the arbitrator(s) shall therefore, in awarding or denying costs to a Party, follow the provisions on costs set out in the *Ontario Courts of Justice Act*, R.S.O. 1990, c. C.43 and the Ontario Rules of Civil Procedure, including without limitation the provisions in those rules concerning settlement offers and case law applicable in Ontario.



- (b) If either Party fails to comply with the decision of the arbitrator(s) and the other Party afterwards seeks relief under section 6.11, the Party seeking the relief shall be entitled to receive from the other Party its costs of seeking the relief from the other Party (including its reasonable legal costs) once a court of competent jurisdiction has issued a final, non-appealable order in its favour.

## **ARTICLE 7 – General**

### **7.1     *Waiver***

The failure of any Party to exercise any right, power or option or to enforce any remedy or to insist upon the strict compliance with the terms, conditions and covenants of this Agreement shall not constitute a waiver of the terms, conditions and covenants herein with respect to that or any other subsequent breach thereof nor a waiver by the Party at any time thereafter to require strict compliance with all terms, conditions and covenants hereof, including the terms, conditions and covenants with respect to which the Party has failed to exercise such right, power or option. Nothing shall be construed as or have the effect of a waiver except an instrument in writing signed by a duly authorized officer of the Party which expressly or impliedly waives a right, power or option under this Agreement.

### **7.2     *Amendments and Modifications to this Agreement***

- (a) Subject to paragraphs 7.2(d) and (e), the amendment or modification of any part of this Agreement or the addition of any provision to this Agreement, including a new appendix, must be approved by the Board.
- (b) The Board may require amendments to this Agreement or to the requirements for the content of the Appendices attached to this Agreement.
- (c) The Parties to this Agreement agree to forthwith, upon receipt of notice from the Board, do all things and take all actions necessary to amend this Agreement as specified by the Board, and where necessary, to give retroactive effect to such amendments.
- (d) In Appendices A, C, D and E where information is to be filled in or an option is to be chosen by the Distributor, these items may be amended by the Distributor by giving notice to the Retailer and where information is to be filled in or an option is to be chosen by the Retailer, these items may be amended by the Retailer by giving notice to the Distributor. The amendment shall take effect when notice of the amendment is deemed to have been given and received in accordance with section 7.5.
- (e) The provisions of Appendix B referred to in paragraph 3.2(a) may be amended by the Distributor giving notice to the Retailer and the provisions of Appendix B referred to in paragraphs 3.2(b), 3.2(c) and 3.2(d) may be amended by the Retailer giving notice to the Distributor. The amendment shall take effect when notice of the amendment is deemed to have been given and received in accordance with section 7.5.

### **7.3     **Assignment and Delegation****

- (a) Neither Party to this Agreement shall assign any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

- (b) Notwithstanding subsection (a), either Party may subcontract its duties under this Agreement to a subcontractor, provided that the Party that subcontracts its responsibility shall:
  - (i) remain fully responsible as a principal and not as a guarantor for performance of any subcontracted obligations and,
  - (ii) cause its subcontractors to perform in a manner which is in conformity with that Party's obligations under this Agreement.

#### 7.4 Severability

- (a) If any provision of this Agreement or application thereof is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions shall continue in full force and effect.

1. If a court of competent jurisdiction finds any restrictive covenant contained in this Agreement to be unenforceable in whole or in part, including without limitation as to duration and/or territory, the Parties hereby direct the court to reduce the scope of such provision to that which is reasonable and enforceable in the circumstances.

#### 7.5 Notices

Any demand, notice or other communication ("Notice") to be given in connection with this Agreement shall be given in writing and shall be sufficiently given if:

- (a) delivered personally;
- (b) sent by registered mail;
- (c) sent by facsimile, with confirmation of receipt by the Party;
- (d) delivered by courier with confirmation of receipt by the Party; or,
- (e) other means of electronic communication with confirmation of receipt by the Party,

to the contact person set out at Appendix A to this Agreement or to such other person at such other address as the Party to whom such Notice is to be given shall have advised the Party giving the same in the manner provided in this section. Any Notice delivered personally shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such Notice shall be deemed to have been given and received on the next following Business Day. Any Notice sent by registered mail shall be mailed in Ontario, and if so mailed, shall be deemed to have been given and received on the fourth Business Day following the date of mailing. Any Notice transmitted by electronic communication shall be deemed given and received on the day of its transmission provided that such day is a Business Day and such transmission is completed before 5:00 p.m. on such day, failing which such Notice shall be deemed given and received on the first Business Day after its transmission.

#### 7.6 Statutes

Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or

regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

#### **7.7 Applicable Law**

This Agreement shall be construed in accordance with the laws of Ontario including, in particular, the Electricity Act and the Act, and the laws of Canada applicable in Ontario and shall be treated in all respects as an Ontario contract. Each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

#### **7.8 Time**

Time shall be of the essence of this Agreement and no extension or variation of this Agreement shall operate as a waiver of this provision.

#### **7.9 Calculation of Time**

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next following Business Day.

#### **7.10 Further Assurances**

The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement. Each Party shall provide and execute such further documents or instruments as may be reasonably required by any other Party, exercise its influence and do and perform or cause to be done or performed such further and other acts as may be reasonably necessary or desirable to effect the purpose of and to carry out the provisions of this Agreement.

#### **7.11 Counterparts and Execution by Fax**

This Agreement may be executed by the Parties in separate counterparts each of which when so executed and delivered to each of the Parties shall be deemed to be and shall be read as a single agreement among the Parties. In addition, execution of this Agreement by any of the Parties may be evidenced by way of a faxed transmission of such Party's signature (which signature may be by separate counterpart), or a photocopy of such faxed transmission, and such faxed signature, or photocopy of such faxed signature, shall be deemed to constitute the original signature of such Party to this Agreement.

#### **7.12 Binding Effect**

This Agreement shall enure to the benefit of and shall be binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

IN WITNESS WHEREOF this Agreement has been executed.

**Kenora Hydro Electric Corporation Ltd**

Per

:

\_\_\_\_\_  
President & CEO

**Retailer**

Per

:

\_\_\_\_\_

## APPENDIX A

### Contact Information

(The Distributor shall fill in the blanks)

Mr. ☐ Mrs. ☐  
Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name: Full First Name: Initial:

Other: \_\_\_\_\_

\_\_\_\_\_  
Position Held:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City Province Postal  
Code

\_\_\_\_\_  
E-mail Address Phone Number FAX  
Number

(The Retailer shall fill in the blanks)

Mr. ☐ Mrs. ☐  
Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name: Full First Name: Initial:

Other: \_\_\_\_\_

\_\_\_\_\_  
Position Held:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City Province Postal  
Code

\_\_\_\_\_  
E-mail Address Phone Number FAX  
Number

Each Party agrees to promptly provide notice to the other Party of any change in contact information.

### Contact Information for Customer Billing Services

(The Distributor shall fill in the blanks)

Mr. ☐ Mrs. ☐

Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name:

\_\_\_\_\_  
Full First Name:

\_\_\_\_\_  
Initial:

Other: \_\_\_\_\_

\_\_\_\_\_  
Position Held:

\_\_\_\_\_  
Alternate Contact:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City

\_\_\_\_\_  
Province

\_\_\_\_\_  
Postal Code

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
FAX  
Number

(The Retailer shall fill in the blanks)

Mr. ☐ Mrs. ☐

Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name:

\_\_\_\_\_  
Full First Name:

\_\_\_\_\_  
Initial:

Other: \_\_\_\_\_

\_\_\_\_\_  
Position Held:

\_\_\_\_\_  
Alternate Contact:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City

\_\_\_\_\_  
Province

\_\_\_\_\_  
Postal Code

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
FAX  
Number

Each Party agrees to promptly provide notice to the other Party of any change in contact information.

### Contact Information for Security Issues and Arrangements

(The Distributor shall fill in the blanks)

Mr. ☐ Mrs. ☐

Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name:

\_\_\_\_\_  
Full First Name:

\_\_\_\_\_  
Initial:

Other:

\_\_\_\_\_  
Position Held:

\_\_\_\_\_  
Alternate Contact:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City

\_\_\_\_\_  
Province

\_\_\_\_\_  
Postal Code

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
FAX  
Number

(The Retailer shall fill in the blanks)

Mr. ☐ Mrs. ☐

Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name:

\_\_\_\_\_  
Full First Name:

\_\_\_\_\_  
Initial:

Other:

\_\_\_\_\_  
Position Held:

\_\_\_\_\_  
Alternate Contact:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City

\_\_\_\_\_  
Province

\_\_\_\_\_  
Postal Code

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
FAX  
Number

Each Party agrees to promptly provide notice to the other Party of any change in contact information.



### Contact Information for Settlements

(The Distributor shall fill in the blanks)

Mr. ☐ Mrs. ☐  
Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name: Full First Name: Initial:

Other: \_\_\_\_\_

Position Held: Alternate Contact:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City Province Postal Code

\_\_\_\_\_  
E-mail Address Phone Number FAX  
Number

(The Retailer shall fill in the blanks)

Mr. ☐ Mrs. ☐  
Miss ☐ Ms. ☐

\_\_\_\_\_  
Last Name: Full First Name: Initial:

Other: \_\_\_\_\_

Position Held: Alternate Contact:

Contact Address (if R.R., give Lot, Concession No. and Township):  
\_\_\_\_\_

\_\_\_\_\_  
City Province Postal Code

\_\_\_\_\_  
E-mail Address Phone Number FAX  
Number

Each Party agrees to promptly provide notice to the other Party of any change in contact information.

## **APPENDIX B**

### **Security Arrangements**

\* The Board is consulting on proposed amendments to Chapter 8 of the Code that will affect the content of this appendix. The requirements for this appendix will be established at a future date.

## Appendix C

### Billing Services

The Distributor and Retailer agree to the following business practices.

#### Data Flow for Distributor-Consolidated Billing

- Usage will be sent to the Retailer as per section 5.2 of the Code.
- The Distributor must receive all bill-ready information, via the EBT System, no later than 5:00 p.m., two business days after the Usage transaction was sent.
- The Distributor will accept one (1) line item(s) per customer bill account per bill period (blank to be filled in by the Distributor).
- The Distributor will only accept up to 20 characters for the Retailer's line item consisting of the description (blank to be filled in by the Distributor). The dollar value will be in addition to this information. All spaces, including empty spaces, are considered characters. If the description exceeds the allowable length, it will be truncated to comply with the Distributor's requirement. This line item must be for commodity only.
- The Distributor will accept the following languages from the Retailer for the line item description:
  - ☐ English
  - ☐ English and French
  - ☐ Language of the customer's bill

(The Distributor shall tick at least one of the above boxes)

#### Rate Changes

The Distributor will provide notification to the Retailer of any approved changes to the Distributor's rates at the same time the Distributor notifies its customers.

#### Retail Service Charges

All Retail Service Charges will be billed at the discretion of the Distributor with the Settlement Invoice or Market Participant Invoice when one is sent.

All STR fees will be calculated on a:

- ☐ Daily basis
- ☐ Billing month basis

All fixed customer charges/credits will be calculated on a:

- ☐ Daily basis
- ☐ Billing month basis

All other retail service charges will be billed:

- ☐ Daily basis
- ☐ Billing month basis

(The Distributor shall tick one of the boxes for each of the three statements set out above)

Note: Where a Retail Service Charge is calculated on a daily basis, the Settlement Invoice or Market Participant Invoice shall include all charges with respect to this type of Charge calculated up to the day before the Invoice is issued. Where a Retail Service Charge is calculated on a monthly basis, the Settlement Invoice or Market Participant Invoice shall include all charges with respect to this type of Charge calculated up to the end of the most recently completed Billing Month.

**Optional Additional Billing Lines and Rate Ready Billing**

The Distributor is able to provide rate ready billing to the Retailer using an OEB approved rate:

- ☐ Yes
- ☐ No

The Distributor is able to provide additional bill line items to the Retailer using an OEB approved rate, if applicable:

- ☐ Yes
- ☐ No

(The Distributor shall tick one of the boxes for each of the two statements set out above)

#### EBT Transaction Processing

As of the date this Service Agreement is executed, the Distributor is using **\_Hub-In-A-Box\_** (name of hub or point to point use to be filled in by the Distributor) and the Retailer is using **Screaming Power** (name of hub or point to point use to be filled in by the Retailer) for processing EBT transactions.

#### Settlement Invoice Timing

A Distributor shall issue a settlement invoice to a Retailer **to be determined** day(s) following receipt of the preliminary price and usage data provided by the IMO or by the host distributor for the last trading day in the billing period covered by the settlement invoice.

#### Distributor Meter Read and Billing Timelines

For each customer class, the Distributor shall provide the following information:

<b>Customer Class Category</b>	<b>Meter Reading Frequency</b>	<b>Billing Frequency for customers billed under SSS or distributor-consolidated billing</b>	<b>Number of Days when Payment is Due Following the Billing Date for customers billed under SSS or distributor-consolidated billing (i.e. the date the bill is produced)</b>
Residential	Monthly	Monthly	16
General Service (Less than 50kW)	Monthly	Monthly	16
General Service (Greater than 50 kW)	Monthly	Monthly	16
General Service Interval Metered	Monthly	Monthly	16

Large User (Greater than 5000 kW)	Monthly	Monthly	16
Street Lighting	N/A	Monthly	16
Unmetered Scattered Loads	N/A	Monthly	16

The Distributor shall provide detailed meter read and billing cycle schedules to the Retailer for a **\_one (1)\_** month period within 30 days of entering into this Agreement (blank to be filled in by Distributor).

#### **Time for Changing Service Provider**

Section 10.5.1 of the Code, provides that a Distributor may specify a number of days not in excess of twenty business days before the next scheduled meter read where, if the Distributor receives an STR with a lesser number of days to go before the next scheduled meter read, the Distributor is not be obligated to change the service provider until the scheduled meter read following the next scheduled meter read. For the purposes of section 10.5.1 of the Code, the specified time period is **\_10\_** days before the next scheduled meter read.

#### **Customer Transfers**

In accordance with section 10.5.1 of the Code, where a service transfer is scheduled to take effect on the next scheduled meter read date and the meter read is not successful, the Distributor shall undertake a special meter read at no charge to the requesting party within five business days following the missed read, unless past meter reading records indicate that the likelihood of a successful meter read is low. In the event that a special meter read is unlikely to be successful or is attempted and fails, the Distributor shall:

- ☐ process the transfer using an estimated read
- ☐ use estimates provided by customers in lieu of an estimated read
- ☐ negotiate a different course of action

(The Distributor must tick at least one of the three boxes set out above but may tick all three or two)

#### **Customer Default to the Distributor**

~~The Distributor shall notify the Retailer of customer default for a customer with annual monthly demand of equal to or more than \_\_\_\_\_ kW at the same time a final notice of disconnection is sent to the customer.~~

(If the Distributor does not wish to provide such notification, the Distributor may stroke out and initial the above paragraph. Otherwise, the Distributor shall fill in the blank).

**Bill Option Change**

The Retailer shall notify the Distributor a minimum of 60 calendar days in advance, in the event that a Retailer requests a bill option change for a quantity of the Retailer's enrolled customers that is in excess of 1% of the total customer base serviced by the Distributor at the signing of this Service Agreement, which represents 500 customer billing accounts.

(If the Retailer does not wish to provide such notification, the Distributor may strike out and initial the above paragraph. Otherwise, the Distributor shall fill in the blank).

**Use of Regular Estimates in Billing**

Where a Distributor uses estimates to bill regularly between meter readings, e.g. bimonthly meter reading and monthly billing, the estimation technique used will be:

☐ Option 1

☐ Option 2

per section 3.5.3 of the Code

(The Distributor shall tick one of the above boxes)

## **GST on amounts charged to consumers:**

### **Distributor-Consolidated Billing – Rate Ready**

The Distributor shall calculate, collect and remit to Canada Customs & Revenue Agency ("CCRA") GST on both competitive and non-competitive electricity services. The Distributor shall account for the GST charged on competitive electricity services as the GST becomes collectible.

### **Distributor-Consolidated Billing – Bill Ready**

In each of the three options set out below, the Distributor shall calculate, collect and remit to CCRA GST on non-competitive electricity services charged to consumers. GST with respect to competitive electricity services charged to consumers shall be addressed in the following manner:

- ☐ The Distributor shall calculate, collect and remit to CCRA GST on competitive electricity services. The Distributor shall account for GST charged on competitive electricity services as the GST becomes collectible.
- ☐ The Retailer shall calculate GST on competitive electricity services and provide the result to the Distributor as a separate line item to accompany the bill ready line item. The Distributor shall collect and remit to CCRA GST on competitive electricity services. The Distributor shall account for GST charged on competitive electricity services as the GST becomes collectible.
- ☐ The Retailer shall calculate GST on competitive electricity services and provide the result to the Distributor as a separate line item to accompany the bill ready line item. The Distributor shall collect the GST on competitive electricity services and forward it to the Retailer as it is collected. The Retailer shall remit the GST on competitive electricity services to CCRA on a collectible basis.

(The Distributor must tick one of the above boxes)

### **Retailer Consolidated Billing**

In each of the three options set out below, the Retailer shall calculate, collect and remit to CCRA GST on competitive electricity services charged to consumers. GST with respect to non-competitive electricity services charged to consumers shall be addressed in the following manner:

- ☐ The Retailer shall calculate, collect and remit to CCRA GST on non-competitive electricity services. The Retailer shall account for GST charged on non-competitive electricity services as the GST becomes collectible.
- ☐ The Distributor shall calculate GST on non-competitive electricity services and provide the result to the Retailer as a separate line item. The Retailer shall collect and remit to CCRA GST on non-competitive electricity



services. The Retailer shall account for GST charged on non-competitive electricity services as the GST becomes collectible.

- ☐ The Distributor shall calculate GST on non-competitive electricity services and provide the result to the Retailer as a separate line item. The Retailer shall collect the GST on non-competitive electricity services and forward it to the Distributor as it is collected. The Distributor shall remit the GST on non-competitive electricity services to CCRA on a collectible basis.

(The Distributor must tick one of the above boxes)

## APPENDIX D

### Payment Arrangements

Payment shall be made according to the following instructions:

#### PAYMENT TO THE DISTRIBUTOR

(The Retailer shall fill in the blanks)

Electronic Business Transfer

Other:

Legal Name

Contact Information (if different than Exhibit A)

Banking Institution

Account

Number:

Address:

City

Province

Postal Code

E-mail Address

Phone Number

FAX Number

#### PAYMENT TO THE RETAILER

(The Distributor shall fill in the blanks)

Electronic Business Transfer

Other:

**KENORA HYDRO ELECTRIC CORPORATION LTD**

Legal Name

Contact Information (if different than Appendix A)

Banking Institution

Account

Number:

Address:

City

Province

Postal Code

E-mail Address

Phone Number

FAX Number

## APPENDIX E

### Details of Payment

Any discrepancies should be brought to the attention of the other party and, if confirmed, a credit/debit will be processed for the next payment cycle.

The Retailer shall make payments to the Distributor by:

- ☐ Pre-authorised payment, or
- ☐ Electronic Funds Transfer.

(The Retailer shall tick one of the above boxes)

The Distributor shall make payments to the Retailer by:

- ☐ Pre-authorised payment, or
- ☒ Electronic Funds Transfer.

(The Distributor shall tick one of the above boxes)

## APPENDIX "O"

### Schedule of Rates and Charges

**EFFECTIVE MAY 1, 2007**

Charge type (\$ per kWh unless otherwise stated)	Residential	General Service <50kW	General Service >50kW	Unmetered Scattered Load	Street Lighting
Wholesale Market Service Charge	0.0052	0.0052	0.0052	0.0052	0.0052
Transmission Network Serv. Rate	0.0049	0.0044	1.8149/kW	0.0044	1.3687/kW
Transmission Line & Connec. Rate	0.0017	0.0015	0.5930/kW	0.0015	0.4584/kW
Distribution Volumetric Charge	0.0097	0.0040	1.2165/kW	0.0041	2.2887/kW
Regulatory Asset Recovery	(0.0015)	(0.0010)	(0.4097)/kW	(0.0010)	(0.5334)/kW
Rural Rate Protection Charge	0.0010	0.0010	0.0010	0.0010	0.0010
Debt Retirement Charge	0.0070	0.0070	0.0070	0.0070	0.0070
Standard Supply Service Admin. Charge (flat rate monthly)	0.25	0.25	.25	.25	.25
Service Charge (flat rate monthly)	13.56	25.60	366.28	12.78	3.48/conn.
Cost of Power	<b>OEB Regulated Price Plan, spot market Hourly Ontario Energy Price, or contractual price from Retailer</b>				

### Loss Factors:

Total Loss Factor – Secondary Metered Customers < 5,000kW – 1.0430

Total Loss Factor – Primary Metered Customers < 5,000kW – 1.0325

### NOTES

1. General Service <50kW could also apply to a residence depending upon the customer's electrical needs
2. The Rural Rate Protection Charge is bundled into the Wholesale Market Service Charge on the customer's invoice.
3. Discount of \$0.60/kW may be applicable if the customer has their own transformer(s).
4. General Service >50kW customers may also incur a demand charge based on their peak electrical usage.

## **APPENDIX "P"**

### **Deposit Calculation**

#### **Preamble**

Kenora Hydro Electric Corporation Ltd. (KHECL) may request a customer provide a deposit prior to connecting the customer for service, according to the conditions contained in the *Ontario Energy Board Retail Settlement Code: 7.4.3.*

#### **1. General**

##### **Current/Prior Customers**

For the purposes of this policy, good credit shall be established when a customer has (had) maintained service with KHECL for a consecutive twelve (12) month period, and during the most recent twelve (12) month period had either:

- a. a maximum of two reminder notices generated on that account with no disconnect notices generated, or;
- b. a maximum of one reminder notice and one disconnect notice generated on that account.

Customers who have (or had) any accounts with KHECL that have (had) not established a good credit record will be required to provide a security deposit prior to connection of services. Where the customer has had more than one account with the City, or has had an account for an extended period, the most recent history shall be used for purposes of establishing the credit rating.

Customers with any outstanding past due accounts with KHECL must pay the entire outstanding balance in full in addition to a deposit prior to connection of services.

Customers who have not established good credit as they have not had twelve (12) months of consecutive service with KHECL may be evaluated based on either the combined service history with KHECL, provided the total service period is twelve (12) months or greater, or in conjunction with other customers who have not previously held KHECL services.

##### **New Customers**

A credit check must be performed on customers who have never held any accounts with KHECL. Customers must be informed of KHECL's intent to perform a credit check. For these customers, KHECL must establish satisfactory credit through another utility, either by a letter or a completed credit reference form. Where the information is made available, this credit shall be rated in the same manner as outlined under current / prior KHECL customers.

Where a new customer is unable to establish good credit, KHECL will require a deposit on the utility account. This deposit will be refunded once KHECL is in receipt of either of these items establishing a satisfactory credit reference.

Customers who have not had a utility account in their name must provide a security deposit prior to the connection of services.

#### Cohabitants

Where a customer comes in for services and that customer cohabitates with an existing customer who is in default on a current or previous account, that new customer shall not be granted service until the existing accounts are paid in full and a deposit taken.

#### Continued Occupancy

Where a customer who is in default continues to occupy a building and a new customer comes in to apply for services on that building without having the first customer leave, that new customer shall not be granted service until the existing accounts are paid in full.

Under this arrangement, the new customer shall be evaluated for credit worthiness in conjunction with KHECL's credit policy for deposit purposes.

#### Co-signers

Where a customer is able to obtain a co-signer who would not be required to pay a deposit when evaluated in the same manner as outlined under current / prior KHECL customer policy, the deposit for that customer shall be waived. The co-signer shall be considered to be a participant in the contract for services.

Where a co-signer wishes to withdraw their name from the account, this shall be treated as a change in service connection. As such, KHECL shall require three days notice for a co-signer to withdraw their name from an account. Where a co-signer withdraws their name from an account, the following shall apply:

- a. where the customer remaining on the account has established a good credit rating in accordance with the requirements outlined under current/prior KHECL customer policy, the deposit for that customer shall be waived in accordance with that policy. It shall be the responsibility of the co-signer to advise the remaining customer that they have withdrawn their name from the account.
- b. Where the customer remaining on the account has been unable to establish good credit in accordance with the requirements outlined under current/prior KHECL customer policy, the withdrawal of the co-signer shall act as a termination of the account, with no notice given to that remaining customer. It shall be KHECL's responsibility to advise the co-signer at the time of withdrawal of the implications of that withdrawal. It shall be the responsibility of the co-signer to advise the remaining customer that they have withdrawn their name from the account and the related termination of services.

#### Change in Credit Status

Each customer shall be monitored on an ongoing basis through KHECL's credit and collection activities. Individual customer credit status may change based on the previous twelve (12) months of activity on their account, based on the criteria

as set out under current/prior KHECL customers within this policy. As a customers credit status changes, the following shall apply:

- a. where a customer has established a good credit status, the deposit shall be refunded to the customer, including any interest accumulated on that deposit, by applying the deposit to the customers account.
- b. Where a customer no longer exhibits a good credit status, a security deposit may be required until such time as the customer re-establishes a good credit status.

#### Failure to Provide Good Credit

Where a customer has provided a security deposit to KHECL, but is unable to establish good credit based on payment history, the deposit shall not be refunded until the final bill on that account. Upon final billing, the deposit shall be applied against the amount of the billing, and any credit balance shall be applied first to any outstanding accounts with KHECL. Any remaining credit balance shall be refunded to the customer.

### **3. Deposit Calculations**

Deposits shall be calculated based on two and one half (2.5) times the average in the past twelve (12) months estimated service for any and all costs to be billed on that account by KHECL. The deposit shall be calculated by applying the current rates for all charges (including, but not limited to, cost of power, distribution, transformation, debt retirement, rural rate assistance, uplift, water and sewer) to the estimated consumption for that customer. Consumption and rate information shall be determined as follows:

- c. consumption shall be based on the consumption history of the building, if known. Where the consumption history is not known, estimated consumption shall be based on the estimated history of an average customer in the same rate classification with a similar building.
- d. rates, with the exception of cost of power, shall be based on the current schedule of rates used by KHECL for billing all charges to that account.
- e. the cost of power for standard supply customers shall be determined based on the preceding twelve (12) month average spot market price. Where the preceding twelve (12) month average spot market price is not available, the guideline rate as set by the Independent Electricity Operator (IESO) shall be used.
- f. the cost of power for rate ready retailer customers shall be determined based on the contract rate as set by that retailer for that customer.
- g. the cost of power for bill ready retailer customers shall be based on an estimated cost of power rate based estimated rates applied to other rate ready customers with that same retailer.

It will be difficult for KHECL to determine whether new customers are standard supply or retailer customers. Accordingly, all new customers shall be treated as standard supply customers for purposes of deposit calculation. Distinction between types of customers shall be made for deposits required resulting from disconnection of services due to non-payment, based on the classification of that customer at the time of disconnection.

For clarification purposes, where a customer has signed with an electricity retailer, the deposit shall not be based on any portion of the bill that is to be billed by that retailer. This shall apply to customers being billed by the retailer either through retailer consolidated billing or split billing.

### **Deposit/Arrears Payment Plan**

Deposit and / or deposit and arrears payment plans shall be treated as follows:

- a. where new KHECL customers are required to pay a deposit, the Collections Coordinator shall allow customers when asked to make a payment plan for their required deposits.
- b. previous KHECL customers who have outstanding balances with KHECL, or customers who have been terminated for non-payment with KHECL, are required to pay a deposit, it shall be at the discretion of the Collections Coordinator whether they are eligible to make a payment plan for the required deposit and account balance(s).

For both situations, the customer shall be required to pay one half ( $\frac{1}{2}$ ) of the total required payment up front. The remaining balance may be evenly amortized over a period not to exceed six months, with minimum monthly payments of \$100 or more.

Payment arrangements shall not be made for active accounts for arrears only. Customers shall only be eligible if a deposit (and/or additional deposit) is to be paid and included as part of the payment arrangement. For this type of situation, this shall be treated in accordance with section b) of the deposit / arrears payment plan section of this policy.

### **Interest on Security Deposits**

Security deposits earn interest at prime business rate minus 2% (updated quarterly). Interest is credited to accounts at least once every 12 months, or on return of the security deposit or upon closure of the account, whichever comes first.

### **Standard Supply vs. Retail Customers**

No distinction shall be made in applying this policy between Standard Supply and Retailer electrical customers, with the exception of deposit calculations where they are impacted in the differences in billing between these two types of customers.



## **APPENDIX "R"**

### **Equal Payment Plan**

#### **1. Preamble**

Kenora Hydro Electric Corporation Ltd. (KHECL) offers an equal payment plan for all of its customers who receive standard supply service (SSS).

The monthly equal billing amount is calculated based on the prior 12 month's consumption, plus an estimate of the increase in rates anticipated over the next year. In May of each year, a true-up of equal billed amounts vs. actual charges is performed, and the resulting credit or charge to the account is made on the June billing. Any large true-ups required will be taken into account when setting the equal billing amount for the next year.



## APPENDIX U

FOR OFFICE USE ONLY

Account Number - Telephone	Initial & Date
Account Number - Hydro/Sewer/Water	Initial & Date

**CITY OF KENORA**  
**ONE MAIN STREET SOUTH**  
**KENORA, ON P9N 3X2**  
**TEL.: 807-467-2000 FAX: 807-467-2045**

### Telephone / Hydro/Sewer/Water Pre-Authorized Payment Authorization

Name (s) \_\_\_\_\_

☐ Yes! Telephone

Name (s) \_\_\_\_\_

☐ Yes! Hydro / sewer / water

Address: \_\_\_\_\_

Telephone ( ) \_\_\_\_\_

I (we) authorize the Corporation of the City of Kenora to process a debit, in paper, electronic or other form in the amount of the current telephone / hydro / sewer / and/or water billing on the due date of that billing. This will begin on the date indicated below.

I (we) acknowledge that I (we) have read and understood all the provisions contained in the terms and conditions of the pre-authorized payment authorization as set out below.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

#### KMTS SERVICES ONLY:

Credit Card: Visa \_\_\_\_\_ MasterCard \_\_\_\_\_ Credit Card Number: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

3 Digit Code on back of credit card: \_\_\_\_\_

#### Terms and Conditions

I (we) authorize the payee to debit my (our) account as indicated on the attached "void" cheque or credit card under the terms and conditions agreed to by me (us) with the payee until such time as written notice to the contrary is given.

I (we) acknowledge that delivery of my (our) authorization to the payee constitutes delivery by me (us) to the branch of the financial institution at which I (we) maintain an account and that such financial institution is not required to verify that the payment(s) are drawn in accordance with this authorization. Termination of this authorization does / may not terminate the contract for goods or services exchanged.

I (we) will notify the Payee in writing of any changes in the account information or termination of this authorization prior to the next due date of the pre-authorized debit.

Items charged under any of the following conditions will be reimbursed subject to written notification to me (us) to the branch of account within 90 days:

- I (we) never provided authorization to the payee.
- The pre-authorized debit was not drawn in accordance with my (our) authorization.
- My (our) authorization was revoked.
- The debit was posted to the wrong account due to invalid / incorrect account information supplied by the payee.

I (we) warrant that all persons whose signature(s) are requested to sign on this account have signed this agreement.

PERSONAL INFORMATION CONTAINED ON THIS FORM IS COLLECTED PURSUANT TO THE MUNICIPAL ACT, 2001 AND WILL BE USED FOR THE PURPOSE OF bank information for your account. QUESTIONS ABOUT THIS COLLECTION SHOULD BE DIRECTED TO: THE FREEDOM OF INFORMATION AND PRIVACY COORDINATOR, CITY OF KENORA, ONE MAIN STREET SOUTH, KENORA, ON P9N 3X2 (807)467-2027.