

claims (“Costs”) suffered or incurred by the Company, its agents or employees which are in any way incurred as a result of or connected with any effluent produced or emitted by the Customer’s process or operations. Such Costs shall include, without limitation, all reasonable expenses incurred in cleaning up Contamination, upgrading the Company’s Electric Distribution System to prevent any future occurrence of any similar contamination and/or to mitigate excessive costs of ongoing maintenance or, where an Electric Distribution System upgrade is not feasible, the costs of continued maintenance of the Company Facilities resulting from Contamination.

ARTICLE 9 – GENERATING CUSTOMERS

9.1 Provision of Service

The Company will attempt to provide interconnection services to Generating Customers requesting such services as set out in these Terms and Conditions. Unless otherwise specified, this article will apply to both Distributed Generators and Micro-Generators. In the event of a conflict between Article 9 of these Terms and Conditions and the *Micro-Generation Regulation*, A.R. 27/2008, made pursuant to the Act, as amended or replaced from time to time, the *Micro-Generation Regulation*, A.R. 27/2008, shall prevail.

9.2 Continuous Service

The Company shall make all reasonable efforts to maintain continuity of service to Generating Customers, but the Company cannot guarantee uninterrupted service.

9.3 Planned Outages

- (a) Without liability of any kind to the Company, the Company reserves the right to interrupt, discontinue or otherwise place limits on the output of the Generating Customer whenever the Company reasonably determines, or when the Company is directed to do so by the ISO, to facilitate construction, installation, maintenance, repairs, improvements, replacement, or inspection of any of the Company’s Facilities; or to permit the connection or disconnection of other Customers; or to maintain the safety and reliability of the distribution system or other emergency situation.

- (b) The Company shall endeavor to give prior notice to Generating Customers who will have service interrupted or reduced and will endeavor to ensure that such interruptions are short and infrequent as circumstances permit. The contact lists and communication channels will be specified in the operating agreement between the Company and the Generating Customer.

9.4 Company Liability

Notwithstanding anything to the contrary contained in these Terms and Conditions, the Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether of direct, indirect, special or consequential nature, (excepting only direct physical loss, injury or damage to a Generating Customer or a Generating Customer's property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising out of or in any way connected with the provision of service by the Company to its Generating Customers including, but not limited to, any failure, defect, fluctuation, reduction or interruption in the provision of service by the Company to its Generating Customers or the Company's failure to meet an In-Service Date provided that the Company has made reasonable efforts to meet the said In-Service Date. For the purpose of the foregoing and without otherwise restricting the generality thereof, "direct physical loss, injury or damage" shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and energy, cost of capital, and loss of use of any Facilities or property, or any other similar damage or loss whatsoever.

9.5 Force Majeure

Should the Company be unable, because of an event of Force Majeure, to provide continuous service to a Generating Customer, the Company's responsibilities, so far as they are affected by the Force Majeure, shall be relieved and suspended during the duration of such circumstances and the Company shall not be liable for any failure to perform any term of these Terms and Conditions to the extent that and when such failure is due to, or is a consequence of, an event of Force Majeure. Where practical, the Company shall give notice to the affected Generating Customers of such Force Majeure.

9.6 Generating Customer Responsibilities

- (a) The Generating Customer will be responsible for the installation and condition of all facilities on the Generating Customer's side of the Point of Service, except metering or other equipment owned by the Company.
- (b) The Generating Customer shall indemnify and save harmless the Company from and against any claim or demand for injury to persons or damage to property arising out of or in any way connected with the use of the service so long as such injury or damage is not caused by the negligent acts or omissions or willful misconduct of the Company, its employees or agents.
- (c) The Generating Customer shall be responsible for any damage to Company Facilities located on the Generating Customer premises where the damage is caused by the negligent acts or omissions or willful misconduct of the Generating Customer or anyone permitted by the Generating Customer to be on the premises.

9.6.1 Protective Devices

- (a) The Generating Customer shall be responsible for determining whether it needs any devices to protect its equipment from damage that may result from the interconnection to Company Facilities. The Generating Customer shall provide and install any such devices.
- (b) The Generating Customer will provide the Company with the required documentation and settings for such devices. Where the Company has determined that there are adverse impacts on other consumers or operating processes, the Company can order modifications to these protective systems.
- (c) The Generating Customer must obtain written approval from the Company for any modifications to these schemes.
- (d) The Generating Customer must use teleprotection signals or other such reliable means to separate the generators from the electric system during islanding conditions.

- (e) The Generating Customer shall be responsible for any damages that are caused as a result of failure to safely separate during an islanding situation. Unapproved islanding conditions will be defined by the Company in the operating agreement.
- (f) Telemetry is required for all generating units in excess of 5 MW in capacity, or where the Company has determined that telemetry is required in order to maintain reliable operation of the distribution system.

9.6.2 Service Calls

The Company may require a Generating Customer to pay the actual costs of a Generating Customer requested service call if the source of the problem is the Generating Customer's own facilities.

9.6.3 Company Disconnection for Safety Reasons

The Company may, without notice, disconnect a Generating Customer service where, in the Company's opinion:

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

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

9.6.4 Metering and Settlement

Unless otherwise stated in the *Micro-Generation Regulation, A.R. 27/2008*, as amended from time to time, the following conditions apply to all Generating Customers.

- (a) The Company will be responsible for installing appropriate metering facilities to measure energy produced by the generator, and consumption of power flowing from the distribution system to the Generating Customer's facilities. The metering facilities shall be in compliance with the standards set by the Company and in accordance with AUC Rule 021, as amended from time to time.
- (b) The Company will be responsible for interrogating the meter and complying with all current AUC Rule 021 requirements of a Meter Data Manager with respect to the metered power production and consumption information. The Generating Customer will be responsible for the costs of providing and installing the metering equipment and ongoing operating costs as set out in the Schedule of Supplementary Service Charges.

9.6.5 Meter Test

- (a) When applicable, the Company reserves the right to test the meter at any reasonable time in accordance with Section 10.4 of these Terms and Conditions.
- (b) If metering facilities have been removed for reasons such as, but not limited to, testing or inspection, the Company may estimate the demand and amount of energy supplied, but not registered, at the Point of Service.
- (c) The Company may, at any reasonable time, read, inspect, remove and test a meter on the Generating Customer's property. The Company shall have the right to enter a Generating Customer's property for the purpose of reading, inspecting, testing or removing the meter, and the Generating Customer shall not prevent or hinder the Company's entry.

9.6.6 Energy or Demand Diversion

- (a) If under any circumstance a Generating Customer prevents a meter from accurately recording the total demand or energy supplied from the Company's distribution system, or the consumption information has been found corrupted, the Company may disconnect the service, or take other appropriate actions to ensure access to accurate meter data.
- (b) The Company may then estimate the demand and amount of energy supplied but not registered at the Point of Service. The Generating Customer, or its Retailer (when applicable), shall pay the cost of the estimated demand and energy consumption relating to the diversion back to the time that the diversion can be reasonably determined, plus all costs related to the investigation and resolution of the diversion.

9.6.7 Permits and Agreements

Subject to the *Micro-Generation Regulation*, A.R. 27/2008, as amended from time to time, the Generating Customer shall obtain and provide to the Company copies of all required permits, licenses and authorizations prior to commencement of service or any change in service requirements at any point of interconnection, which includes:

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

9.6.8 Approvals

Subject to the *Micro-Generation Regulation*, A.R. 27/2008, as amended from time to time, the following conditions will apply.

- (a) The Generating Customer must obtain written approval from the Company before any modification is made to the Generating Customer's system.
- (b) The Generating Customer will be responsible for becoming a Power Pool participant and complying with any Power Pool requirements for any energy delivered to the Power Pool.
- (c) The Generating Customer will be responsible for securing all required technical, commercial, or operational arrangements with the ISO.
- (d) The Generating Customer will be responsible for providing technical information to the Company as required. The Company will treat this information as confidential and will not release such information to any other parties without the express and written consent of the Generating Customer.
- (e) The Generating Customer will be responsible for operating in compliance with accepted industry operating and maintenance standards as established, from time to time, by the ISO and the Company, and as specified in the operating agreement between the Generating Customer and the Company. The Company shall have the right to inspect the Generating Customer's facilities for compliance.
- (f) The Company will be responsible for providing technical information to the Generating Customer as required. The Generating Customer will treat this information as confidential and will not release such information to any other parties without the express and written consent of the Company. Information related to distribution system use or modeling of such use, may be restricted in order to respect Customer confidentiality.

9.7 Incremental Interconnection Costs

Subject to the *Micro-Generation Regulation*, A.R. 27/2008, as amended from time to time, the following conditions will apply.

- (a) The Generating Customer will be required to pay all incremental interconnection costs as determined by the Company, to allow the Generating Customer to make use of the distribution system, including:
- (1) any costs of connection to the Distribution system, including any cost sharing to load Customers;
 - (2) any costs to upgrade existing distribution Facilities;
 - (3) an application fee associated with performing engineering estimates, planning, operating or protection studies or any additional or routine modeling and testing required by the ISO, as set forth in the Schedule of Supplementary Service Charges;
 - (4) any costs of protection, anti-islanding circuitry, communication facilities, telemetry or modification to Distribution or Transmission facilities required to reliably separate the generator from the electric system.
- (b) An agreement for payment of the incremental costs must be made between the Generating Customer and the Company before any work on the interconnection is commenced;
- (c) The Generating Customer shall be required to pay all replacement costs for all incremental interconnection Facilities including the replacement of assets at the end of their useful life or replacement due to failure, including but not limited to, elements such as transformers, poles, regulators, capacitors, line conductor, and teleprotection systems.
- (d) The Company may provide the Generating Customer with an option to pay for the replacement costs over time as defined in Section 9.9.
- (e) If the Facilities identified in (a) and (b) above are required to provide standby service (Price Schedule D32) to on-site load, the incremental interconnection costs that are payable by the Generating Customer may be offset by the

Available Company Investment as per the Schedule of Available Company Investment for standby service under Price Schedule D32.

- (f) If a new Customer or Generating Customer shares a portion or all of an existing extension, to which the interconnection costs relates, the Company will refund a portion of the Generating Customer's contribution based on the amount of extension shared and the ratio of the Generating Customer's Operating Load to the total Operating Load.

9.8 Ownership of Facilities

- (a) The Company remains the owner of all interconnection Facilities it provides to serve the Generating Customer, unless an agreement between the Company and the Generating Customer specifically provides otherwise.
- (b) Payment made by Generating Customers for costs incurred by the Company in installing Facilities does not entitle Generating Customers to ownership of any such Facilities, unless an agreement between the Company and the Generating Customer specifically provides otherwise.

9.9 Payment Options and Credit Requirements

Subject to the *Micro-Generation Regulation*, A.R. 27/2008, as amended from time to time, the Company may provide the Generating Customer with an option to pay for the incremental interconnection costs determined under Section 9.7 over time, providing they satisfy the credit requirements listed herein. The payment period will not exceed five years.

- (a) Subject to review and reassessment of the creditworthiness of a Generating Customer by the Company from time to time, the Company has established the following minimum financial criteria for Generating Customers requesting to pay for the incremental costs over time. The Generating Customer will be deemed to have met the credit requirements if:
 - (1) the Generating Customer, affiliate or person which guarantees the financial obligation of the Generating Customer in a manner acceptable to the Company has at least an "A" rating from the Canadian Bond Rating Service

or an equivalent rating from a major reputable bond rating service satisfactory to the Company, or

- (2) the Generating Customer provides, in a manner acceptable to the Company, a bank guarantee, irrevocable letter of credit, or cash deposits drawn on a Canadian Chartered Bank, trust company, credit union or other lending institution acceptable to the Company.
- (b) The Company will secure the following minimum information and supporting documentation prior to entering into a contract with a Generating Customer to conduct a credit risk assessment.
- (1) Most recent credit rating report from a recognized rating agency and a list of bank credit and trade references, including address, phone numbers and bank officer.
 - (2) Audited financial statements for the latest two years (two most recent Annual Report to Shareholders, if applicable).
 - (3) Description of the corporate structure, including the name of the Chief Executive Officer and Chief Financial Officer.
 - (4) Legal name, address, phone, and fax numbers of the Generating Customer,
 - (5) Certificate specifying the names, titles, and specimen signatures of the persons authorized to approve and confirm contracts.
- (c) All costs associated with obtaining financial security and meeting prudential requirements are the responsibility of the Generating Customer.

9.10 Incremental Operations and Maintenance Charges (O&M)

- (a) The Distributed Generator Customer will be required to pay ongoing incremental operation and maintenance charges based on the incremental interconnection costs as per the criteria specified in Section 9.7. The daily incremental O & M rate

is calculated as the ratio of annual O & M costs to Gross Rate Base allocated to D31 Customers divided by 365. The daily incremental O & M charge will be determined as follows:

Daily Incremental O&M Rate (D32) X Incremental Interconnection Costs

- (b) The daily incremental O & M charge will apply as long as the Distributed Generator Customer takes service and will include the costs of normal preventative and fault maintenance, including replacement of insulators, conductors, fuses, single poles, ongoing brushing and switching to perform normal preventative maintenance and fault isolation.
- (c) Any expenses incurred by the Company to perform switching or isolation at the request of the Distributed Generator Customer will be recovered directly from the Generating Customer.

9.11 Incremental Administration and General Charges (A&G)

The Distributed Generator Customer will be required to pay ongoing incremental administration and general charges based on the incremental interconnection costs as per the criteria specified in Section 9.7. The daily incremental A & G rate will be calculated as the ratio of annual A & G costs to the Gross Rate Base allocated to D31 Customers divided by 365. The daily incremental A & G charge will be determined as follows:

Daily Incremental A&G Rate (D32) X Incremental Interconnection Costs

The daily incremental A & G charges will apply for as long as the Distributed Generator Customer takes service.

ARTICLE 10 – METERS

10.1 Installation of Meters

10.1.1 Provision and Ownership

The Company shall provide, install, and seal one or more meters for the purpose of measuring the Energy delivered to a Customer by way of a Service Connection. Interval meters and associated communication equipment shall be installed for a